STATE OF MINNESOTA

Journal of the House

NINETY-FOURTH SESSION — 2026

SEVENTY-SEVENTH LEGISLATIVE DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 16, 2026

The House of Representatives convened at 12:00 noon and was called to order by Bernie Perryman, Speaker pro tempore.

Prayer was offered by Melissa Schaser, Pastor of Groups and Community Life, Christ Presbyterian Church, Edina, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Hudson was excused until 1:30 p.m.

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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: Burkel.

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

The Speaker assumed the Chair.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Frazier and Torkelson from the Committee on Ways and Means to which was referred:

H. F. No. 719, A bill for an act relating to capital investment; appropriating money for the safe routes to school grant program; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Page 1, lines 6 and 11, delete "$10,000,000" and insert "$1,200,000,000"

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

The report was adopted.

Frazier and Torkelson from the Committee on Ways and Means to which was referred:

H. F. No. 2484, A bill for an act relating to capital investment; appropriating money for library construction grants; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; MARY C. MURPHY LIBRARY CONSTRUCTION GRANTS.**

$30,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of education for the Mary C. Murphy Library Construction Grants Program under Minnesota Statutes, section 134.45. This appropriation is onetime and is subject to Minnesota Statutes, section 16A.642.

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

Amend the title as follows:

Page 1, line 2, delete the second semicolon

Page 1, line 3, delete everything before the period

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

The report was adopted.

Frazier and Torkelson from the Committee on Ways and Means to which was referred:

H. F. No. 2486, A bill for an act relating to capital investment; appropriating money for early childhood learning and child protection facilities; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Page 1, lines 7 and 13, delete "$3,000,000" and insert "$1,200,000,000"

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

The report was adopted.

Frazier and Torkelson from the Committee on Ways and Means to which was referred:

H. F. No. 4808, A bill for an act relating to state government; establishing an information technology modernization account; allocating general fund surplus dollars to the account; requiring a report; transferring money; amending Minnesota Statutes 2024, section 16A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[16A.2865] TRANSFER; HUMAN SERVICES SYSTEMS MODERNIZATION FUND.**

(a) If the balance in the human services systems modernization fund under section 16E.50 at the end of a biennium is less than $50,000,000, the commissioner of management and budget must transfer money according to this section.

(b) After the transfer under section 16A.286, if the remainder of the final general fund closing balance for a biennium exceeds the closing balance projected for that biennium at the end of the previous regular legislative session, the commissioner of management and budget must transfer from the general fund to the human services systems modernization fund the lesser of:

(1) the difference between $50,000,000 and the balance in the human services systems modernization fund; or

(2) the difference between the remainder of the final general fund closing balance for the biennium and the closing balance projected for that biennium at the end of the previous regular legislative session.

(c) For the purposes of this section, "regular legislative session" includes a special legislative session to enact the biennial budget.

(d) If a transfer is required under this section, the transfer must be completed before October 15 following the end of the previous biennium.

Sec. 2. **[16E.40] HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL.**

Subdivision 1. **Definition.** For the purposes of this section and section 16E.50, "human services systems" means any information technology system used by counties, federally recognized Indian Tribes located in Minnesota, or the commissioner of human services or children, youth, and families to administer a human services program.

Subd. 2. **Membership; staff support.** (a) The Human Services Systems Modernization Advisory Council is established and consists of the following members:

(1) the commissioner of human services, or the commissioner's designee;

(2) the commissioner of children, youth, and families, or the commissioner's designee;

(3) the commissioner of information technology services, or the commissioner's designee;

(4) two members appointed by the Association of Minnesota Counties;

(5) two representatives of county financial assistance administration appointed by the Minnesota Association of County Social Service Administrators; and

(6) one representative of federally recognized Indian Tribes located in Minnesota appointed by the Minnesota Indian Affairs Council.

(b) The council member appointed under paragraph (a), clause (6), may rotate between different individuals as determined by the appointing authority.

(c) The commissioner of information technology services must provide meeting space and administrative and research support to the council.

(d) The council must elect a chair and vice-chair from among the membership at the first council meeting each odd-numbered year.

Subd. 3. **Meetings.** The council must meet at least quarterly, or more frequently as determined by the chair. Meetings of the council are subject to chapter 13D and must include an opportunity for public testimony.

Subd. 4. **Terms; compensation; removal.** The terms, compensation, and removal of members of the council are as provided in section 15.059.

Subd. 5. **Duties.** (a) The council must provide recommendations to the commissioners of human services; children, youth, and families; and information technology services on the planning, prioritization, governance, financing, development, implementation, integration, replacement, and modernization of current and future human services systems. This may include but is not limited to:

(1) reviewing the status of legacy and replacement human services systems;

(2) advising on statewide modernization priorities for human services systems;

(3) evaluating opportunities to improve interoperability of human services systems, including the development of an enterprise integration layer;

(4) identifying opportunities to maximize federal financial participation and align human services system design, development, implementation, and operations with applicable federal approval requirements;

(5) reviewing the effect of modernization decisions on counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries;

(6) providing recommendations to the legislature on statutory, budgetary, governance, enterprise architecture, and funding changes needed to support successful modernization; and

(7) developing a financing plan to support the ongoing operating costs of systems and projects developed and deployed with the funding under section 16E.50.

(b) For each human services system, the council must make recommendations on modernization goals and priorities, allocation of modernization resources, major system decisions, and tracking total system funding and expenditures from all sources.

(c) The council must provide updates on the council's duties under this subdivision to the Legislative Commission on Human Services Systems under section 256.0142 at least annually.

(d) The Human Services Systems Modernization Advisory Council must coordinate modernization plans and activities with the Technology Advisory Council established under section 16E.036.

Subd. 6. **Prior consultation required.** (a) Before initiating any work on a major modernization project or procurement that would materially affect counties or federally recognized Indian Tribes located in Minnesota, the commissioners of human services; children, youth, and families; and information technology services must present the proposal to the council and consider the council's recommendations. If the commissioners do not adopt a recommendation of the council that materially affects counties or federally recognized Indian Tribes located in Minnesota, the commissioners must provide a written explanation within ten business days to the council and the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance.

(b) When making a recommendation under this subdivision, the council must consider:

(1) impacts on counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries;

(2) strategies to transition from legacy human services systems, including continuity of operations and mitigation of service disruption;

(3) project timelines, milestones, risks, and dependencies;

(4) federal approval pathways, including planning and implementation documentation;

(5) measurable outcomes related to reduction of manual work, duplicative data entry, processing time, and administrative burden;

(6) development and use of enterprise data, analytics, and performance dashboards; and

(7) prioritization of modernization initiatives based on clauses (1) to (6), feasibility, federal requirements, and available resources.

Subd. 7. **Report.** Beginning February 1, 2027, and annually thereafter, the council must submit a report to the Legislative Commission on Human Services Systems under section 256.0142 and to the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance. The report must include:

(1) project status and risks;

(2) council findings and recommendations;

(3) major procurement or implementation developments;

(4) federal financial participation opportunities and constraints; and

(5) any recommended draft legislation.

Sec. 3. **[16E.50] HUMAN SERVICES SYSTEMS MODERNIZATION FUND.**

Subdivision 1. **Fund established.** The human services systems modernization fund is established in the state treasury to provide a funding source for multiyear modernization of human services systems. Money appropriated from the fund must not be encumbered until after a consultation with the Human Services Systems Modernization Advisory Council occurs under section 16E.40, subdivision 6, and may only be used as authorized under subdivision 3.

Subd. 2. **Funding sources.** The fund consists of:

(1) money appropriated or transferred to the fund by law;

(2) money transferred to the fund under an interagency agreement or other lawful agreement;

(3) federal financial participation, federal reimbursements, or other federal payments received for expenditures from the fund; and

(4) gifts, grants, donations, and other contributions received for a purpose consistent with this section.

Subd. 3. **Eligible and ineligible uses.** (a) Money appropriated from the fund must be used only for eligible multiyear modernization activities under subdivision 4 that replace, modernize, consolidate, integrate, migrate, or substantially enhance legacy human services systems and shared technology infrastructure used by the Department of Human Services; the Department of Children, Youth, and Families; counties; federally recognized Indian Tribes located in Minnesota; providers; beneficiaries; and other program partners.

(b) Money appropriated from the fund must not be used for ordinary agency operations that are unrelated to projects developed and implemented under this section, routine maintenance, or minor day-to-day technology improvements.

(c) The commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40 for any decisions on how to allocate any amount governed by this section.

Subd. 4. **Eligible activities.** The following multiyear activities are eligible for funding from this fund:

(1) modernization, integration, enhancement, replacement, migration, or decommissioning of major eligibility, enrollment, case management, claims payment, provider enrollment, licensing, child care, child support, assessment, and service delivery systems;

(2) development and implementation of enterprise architecture, shared services, reusable components, integration layers, application programming interfaces, middleware, identity and access management, and secure data exchange;

(3) modernization of legacy systems to reduce dependence on obsolete platforms, unsupported technology, duplicative systems, manual workarounds, paper-based processes, and noninteroperable system structures;

(4) development of statewide or shared technology infrastructure that supports state agencies, counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries across multiple programs;

(5) data modernization, including data governance, data quality, reporting architecture, analytics infrastructure, payment accuracy, fraud prevention, and program integrity capabilities;

(6) system changes necessary to improve interoperability among state, county, Tribal, provider, vendor, and federal systems; and

(7) evaluation, development, or implementation of automation, machine learning, predictive analytics, or advanced modeling tools when part of a multiyear modernization project. The activities under this clause are subject to applicable privacy, security, accessibility, data governance, procurement, and program integrity requirements.

Subd. 5. **Priorities.** (a) When the commissioner of information technology services has authority to prioritize projects under this section, the commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40.

(b) When the commissioner of information technology services has authority to allocate money appropriated from this fund, the commissioner of information technology services must prioritize projects that:

(1) support the multiyear modernization plan under subdivision 6 for human services systems;

(2) replace, modernize, consolidate, or substantially transform legacy human services systems that create significant operational, fiscal, security, compliance, or service delivery risk;

(3) improve interoperability across state, county, Tribal, provider, vendor, and federal systems;

(4) reduce duplicative systems and avoid creating new stand-alone systems if shared, statewide, modular, or interoperable solutions are feasible;

(5) improve user experience, system reliability, cybersecurity, privacy, accessibility, data quality, and disaster recovery capacity;

(6) reduce long-term state, county, and Tribal administrative burden by modernizing core system architecture and shared infrastructure;

(7) improve program integrity, including fraud prevention, audit readiness, and compliance; and

(8) support phased implementation and measurable progress toward modernizing, consolidating, replacing, or decommissioning obsolete systems.

Subd. 6. **Multiyear modernization plan.** (a) The commissioner of information technology services must maintain a multiyear modernization plan for human services systems supported by the fund and must develop a preliminary plan by March 1, 2027. The plan must include:

(1) a statewide inventory of major human services systems;

(2) modernization priorities and sequencing;

(3) major projects and anticipated timelines;

(4) human services system dependencies and integration needs;

(5) estimated costs and funding sources, including a financing plan to support the ongoing operating costs of systems and projects developed and deployed with the funding under this section;

(6) federal financial participation assumptions;

(7) anticipated advance planning documents, implementation documents, cost allocation plans, procurement approvals, and certification requirements;

(8) major procurement and contract needs;

(9) planned legacy system transitions, replacements, migrations, and decommissioning;

(10) enterprise architecture standards and shared technology components;

(11) cybersecurity, privacy, accessibility, and data governance requirements;

(12) expected outcomes and performance measures; and

(13) tracking of all recommendations for statutory, budgetary, governance, procurement, or enterprise architecture changes.

(b) The commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40 when developing and maintaining the multiyear modernization plan under this subdivision.

Subd. 7. **Annual report.** Beginning February 1, 2027, and annually thereafter, the commissioner of information technology services, in consultation with the commissioners of human services and children, youth, and families, must submit a report to the Human Services Systems Modernization Advisory Council under section 16E.40, to the Legislative Commission on Human Services Systems under section 256.0142, and to the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance. The report must include:

(1) fund balances, receipts, transfers, and expenditures;

(2) projects funded from the fund;

(3) project status, timelines, risks, and dependencies;

(4) federal financial participation received or anticipated;

(5) major procurements, contracts, or implementation developments;

(6) progress toward the multiyear modernization plan under subdivision 6;

(7) legacy systems replaced, consolidated, modernized, migrated, or decommissioned;

(8) measurable outcomes, including reductions in processing times, payment errors, duplicative data entry, administrative burden, legacy system risk, and total cost of ownership; and

(9) any recommended draft legislation.

Sec. 4. **[256.0142] LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS.**

Subdivision 1. **Establishment; duties.** (a) The Legislative Commission on Human Services Systems is created to provide legislative oversight, monitoring, and recommendations regarding the planning, financing, procurement, development, implementation, operation, and modernization of human services systems.

(b) The commission must provide legislative oversight and monitoring of human services systems modernization, including efforts by counties, federally recognized Indian Tribes located in Minnesota, the Department of Human Services, the Department of Children, Youth, and Families, and the Department of Information Technology Services to manage, develop, update, replace, integrate, or modernize human services systems.

(c) The commission must:

(1) review the status, risks, dependencies, timelines, costs, and outcomes of legacy and modernized human services systems;

(2) monitor and review reports, updates, recommendations, and draft legislation submitted by the Human Services Systems Modernization Advisory Council under section 16E.40;

(3) review reports submitted by the commissioner of information technology services under section 16E.50 and any reports related to systems modernization appropriations;

(4) evaluate Minnesota's state-supervised, county-administered human services system and provide recommendations for changes, if applicable, including changes to roles and responsibilities for program eligibility, service delivery, case management, provider enrollment, service authorization, payment accuracy, and program integrity;

(5) review how other states procure, administer, and deliver human services programs and services and the information technology infrastructure utilized;

(6) identify areas within governance, procurement, funding, data-sharing, privacy, cybersecurity, accessibility, and technology structures that need legislative action; and

(7) recommend statutory, budgetary, governance, procurement, enterprise architecture, accountability, and funding changes needed to support successful modernization.

(d) The commission must work with federally recognized Indian Tribes located in Minnesota, counties, the Department of Human Services, the Department of Children, Youth, and Families, and the Department of Information Technology Services to:

(1) evaluate proposals for systems modernization to information technology systems used by counties, federally recognized Indian Tribes located in Minnesota, the Department of Human Services, or the Department of Children, Youth, and Families; and

(2) consider overall costs to the state, counties, and federally recognized Indian Tribes located in Minnesota for the implementation of systems modernization, and assess whether proposed solutions improve services to Minnesotans and efficiently allocate administrative responsibilities across stakeholders.

Subd. 2. **Members; meetings.** (a) The commission consists of eight members as follows:

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

(2) four members of the senate, two appointed by the senate majority leader and two appointed by the senate minority leader.

(b) Members of the commission serve a term that begins upon appointment and expires on December 31 of the even-numbered year following the year they are appointed.

(c) A vacancy must be filled in the same manner as the original appointment.

(d) The speaker of the house and the senate majority leader must each designate one cochair from among the members appointed to the commission. The cochairs must alternate presiding over commission meetings. The commission may elect other officers as necessary.

(e) The commission must meet at least twice a year and may meet more frequently at the call of a cochair.

(f) Meetings of the commission are subject to section 3.055. The commission must provide an opportunity for public testimony when practicable.

(g) The commission may request testimony, briefings, documents, and data from state agencies, counties, federally recognized Indian Tribes located in Minnesota, vendors, providers, and other stakeholders, subject to state and federal data privacy, security, procurement, and confidentiality laws.

Subd. 3. **Administrative and research support.** The Legislative Coordinating Commission must provide administrative support to the commission and arrange meeting space for commission meetings. The Office of Senate Counsel, Research and Fiscal Analysis, and House Research Department may provide research and technical assistance to the commission.

Subd. 4. **Agency cooperation.** The Department of Human Services, the Department of Children, Youth, and Families, the Department of Information Technology Services, Minnesota Management and Budget, counties, and other state agencies must cooperate with the commission and provide information requested by the commission to the extent permitted by state and federal law.

Subd. 5. **Report.** By February 15, 2028, and annually thereafter, the commission, in cooperation with the commissioners of human services, information technology services, and children, youth, and families, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and children, youth, and families. The report must contain information on the results of the commission's evaluations, identifications, and reviews under subdivision 1; recommendations for any legislative changes; and funding needs to implement any recommended changes.

Subd. 6. **Expiration.** The commission expires December 31, 2033.

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

Sec. 5. **HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL; FIRST APPOINTMENTS AND MEETING.**

Appointing authorities for the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40, must make initial appointments by August 15, 2026. The commissioner of information technology services, or the commissioner's designee, must convene the first meeting of the council by September 15, 2026.

Sec. 6. **LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS; FIRST APPOINTMENTS AND FIRST MEETING.**

Appointing authorities for the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142, must make first appointments to, and designate the cochairs of, the Legislative Commission on Human Services Systems by August 15, 2026. The member designated as cochair by the majority leader of the senate must convene the first meeting of the commission by September 15, 2026.

Sec. 7. **APPROPRIATION; COUNTY INFORMATION TECHNOLOGY SYSTEMS UPDATES.**

Subdivision 1. **Appropriation.** $10,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of information technology services to update information technology systems used by counties. This appropriation must be used, in collaboration with the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40, to fund the projects under subdivision 3. Minnesota Statutes, section 16B.98, subdivision 14, does not apply to this appropriation. This is a onetime appropriation and is available until June 30, 2031.

Subd. 2. **County grants.** The commissioner of information technology services may make grants to counties for projects under this section. Counties must submit an application in a form and manner determined by the commissioner of information technology services. If multiple counties want to apply for a grant, the counties must choose a single county to act as a fiscal agent. The fiscal agent may make subgrants or transfer appropriated money to other counties identified in the grant application under an intergovernmental agreement or contract. Any grant or subgrant is subject to the reporting requirements determined by the commissioner of information technology services.

Subd. 3. **Information technology modernization projects.** The appropriation under subdivision 1 must be used to fund the following information technology projects:

(1) shared data access, reporting, analytics, dashboards, and operational support tools for county and Tribal human services administration;

(2) workflow automation, electronic forms, electronic signatures, document management, case routing, case notes, notices, verification tools, and data-entry support tools for county and Tribal workers;

(3) participant, provider, partner, county, Tribal, and worker-facing functionality, including secure portals, document upload, electronic notices, application and benefit status tracking, account management, secure messaging, and communication tools;

(4) user interface improvements, worker portals, application programming interfaces, integration tools, rules engines, automation tools, and other tools that replace, supplement, or reduce reliance on legacy systems, manual workarounds, paper-based processes, or character-based screens used by counties and Tribal Nations;

(5) improvements to MNbenefits and related application, renewal, verification, and self-service functionality when the improvements support county or Tribal administration;

(6) improvements to human services systems used by counties or Tribal Nations;

(7) system functionality related to eligibility support, case administration, notices, verification, income verification, identity matching, service authorization, provider enrollment, provider payment, claims processing, third-party billing, payment accuracy, and program integrity when used by counties or Tribal Nations;

(8) reusable integration tools, application programming interfaces, middleware, identity and access management, secure data exchange, and shared components that improve interoperability among county, Tribal, state, provider, vendor, and federal systems;

(9) testing, security, privacy, accessibility, training, change management, and implementation support necessary to carry out activities funded under this section;

(10) activities necessary to maintain continuity of operations for counties and Tribal Nations during system changes, phased implementation, data conversion, migration, or transition from legacy systems;

(11) evaluation, development, or implementation of automation tools, including artificial intelligence, process automation, predictive analytics, or advanced modeling, when used to improve county or Tribal administrative efficiency, payment accuracy, program integrity, or service delivery and when subject to applicable privacy, security, accessibility, data governance, procurement, and program integrity requirements;

(12) projects that are scalable for statewide or shared use by counties and Tribal Nations and avoid creating duplicative systems if shared, statewide, modular, or interoperable solutions are feasible; and

(13) supporting additional priorities identified by the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40.

Subd. 4. **Transfer.** The commissioner of management and budget must transfer any unencumbered or unexpended amount of the appropriation under subdivision 1 as of June 30, 2031, from the general fund to the human services systems modernization fund under Minnesota Statutes, section 16E.50.

Sec. 8. **APPROPRIATION; LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS.**

$559,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the Legislative Coordinating Commission to administer the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142. This is a onetime appropriation and is available until June 30, 2029.

Sec. 9. **APPROPRIATION; HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL.**

$3,900,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of information technology services to support the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40. This is a onetime appropriation and is available until June 30, 2029.

Sec. 10. **APPROPRIATIONS; COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES.**

(a) $2,163,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for the MAXIS integration layer. The base for this appropriation is $4,737,000 in fiscal year 2028 and $3,893,000 in fiscal year 2029.

(b) $1,074,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to consolidate the economic assistance program policy manual and for an artificial intelligence chatbot. This is a onetime appropriation and is available until June 30, 2029.

(c) $1,583,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to expand income verification technology. The base for this appropriation is $1,655,000 in fiscal year 2028 and $1,655,000 in fiscal year 2029.

(d) $1,414,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to develop a secure applicant portal. This is a onetime appropriation and is available until June 30, 2029.

(e) $2,650,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for an eligibility system modernization study and a roadmap for technology modernization. This is a onetime appropriation.

(f) $3,878,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to replace the MAXIS green screens. The base for this appropriation is $1,732,000 in fiscal year 2028 and $1,004,000 in fiscal year 2029.

(g) $11,914,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to develop a rules engine to improve MAXIS automation and minimize manual workarounds. $9,042,000 of this amount is available until June 30, 2029. The base for this appropriation is $2,264,000 in fiscal year 2028 and $1,240,000 in fiscal year 2029.

(h) $3,265,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for an interagency governance team to support information technology project implementation, cross-agency coordination, and engagement with counties and Tribal Nations. This appropriation includes funding for Department of Information Technology Services staff. This is a onetime appropriation and is available until June 30, 2029.

Sec. 11. **APPROPRIATIONS; COMMISSIONER OF HUMAN SERVICES.**

(a) $1,810,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of human services for an interagency governance team to support information technology project implementation, cross-agency coordination, and engagement with counties and Tribal Nations. This is a onetime appropriation and is available until June 30, 2029.

(b) $9,660,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of human services for administration of MAXIS and METS system improvements under Minnesota Statutes, section 16E.50, subdivision 4. This is a onetime appropriation and is available until June 30, 2029.

Sec. 12. **APPROPRIATIONS; COMMISSIONER OF INFORMATION TECHNOLOGY.**

$11,413,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of information technology services for information technology projects under Minnesota Statutes, section 16E.50, subdivision 4. This is a onetime appropriation and is available until June 30, 2031.

Sec. 13. **APPROPRIATIONS; FRAUD PREVENTION AND DETECTION.**

$15,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of information technology services for technology modernization to advance fraud prevention and detection by improving data sharing between agencies, utilizing modern analytics, and enhancing security, identity authentication, and verification capabilities for state services. This is a onetime appropriation and is available until June 30, 2031.

Sec. 14. **TRANSFER.**

The commissioner of management and budget must transfer $49,999,000 in fiscal year 2027 from the general fund to the human services systems modernization fund under Minnesota Statutes, section 16E.50. The base for this transfer is $8,536,000 in fiscal year 2028 and $6,464,000 in fiscal year 2029."

Delete the title and insert:

"A bill for an act relating to state government; creating a Human Services Systems Modernization Advisory Council and a Legislative Commission on Human Services Systems; establishing a modernization fund and eligible uses; requiring reports; transferring money; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16A; 16E; 256."

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

The report was adopted.

Frazier and Torkelson from the Committee on Ways and Means to which was referred:

S. F. No. 334, A bill for an act relating to education; modifying professional development requirements for Read Act implementation; amending Minnesota Statutes 2024, section 120B.123, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[16A.2865] TRANSFER; HUMAN SERVICES SYSTEMS MODERNIZATION FUND.**

(a) If the balance in the human services systems modernization fund under section 16E.50 at the end of a biennium is less than $50,000,000, the commissioner of management and budget must transfer money according to this section.

(b) After the transfer under section 16A.286, if the remainder of the final general fund closing balance for a biennium exceeds the closing balance projected for that biennium at the end of the previous regular legislative session, the commissioner of management and budget must transfer from the general fund to the human services systems modernization fund the lesser of:

(1) the difference between $50,000,000 and the balance in the human services systems modernization fund; or

(2) the difference between the remainder of the final general fund closing balance for the biennium and the closing balance projected for that biennium at the end of the previous regular legislative session.

(c) For the purposes of this section, "regular legislative session" includes a special legislative session to enact the biennial budget.

(d) If a transfer is required under this section, the transfer must be completed before October 15 following the end of the previous biennium.

Sec. 2. **[16E.40] HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL.**

Subdivision 1. **Definition.** For the purposes of this section and section 16E.50, "human services systems" means any information technology system used by counties, federally recognized Indian Tribes located in Minnesota, or the commissioners of human services or children, youth, and families to administer a human services program.

Subd. 2. **Membership; staff support.** (a) The Human Services Systems Modernization Advisory Council is established and consists of the following members:

(1) the commissioner of human services, or the commissioner's designee;

(2) the commissioner of children, youth, and families, or the commissioner's designee;

(3) the commissioner of information technology services, or the commissioner's designee;

(4) two members appointed by the Association of Minnesota Counties;

(5) two representatives of county financial assistance administration appointed by the Minnesota Association of County Social Service Administrators; and

(6) one representative of federally recognized Indian Tribes located in Minnesota appointed by the Minnesota Indian Affairs Council.

(b) The council member appointed under paragraph (a), clause (6), may rotate between different individuals as determined by the appointing authority.

(c) The commissioner of information technology services must provide meeting space and administrative and research support to the council.

(d) The council must elect a chair and vice-chair from among the membership at the first council meeting each odd-numbered year.

Subd. 3. **Meetings.** The council must meet at least quarterly, or more frequently as determined by the chair. Meetings of the council are subject to chapter 13D and must include an opportunity for public testimony.

Subd. 4. **Terms; compensation; removal.** The terms, compensation, and removal of members of the council are as provided in section 15.059.

Subd. 5. **Duties.** (a) The council must provide recommendations to the commissioners of human services; children, youth, and families; and information technology services on the planning, prioritization, governance, financing, development, implementation, integration, replacement, and modernization of current and future human services systems. This may include, but is not limited to:

(1) reviewing the status of legacy and replacement human services systems;

(2) advising on statewide modernization priorities for human services systems;

(3) evaluating opportunities to improve interoperability of human services systems, including the development of an enterprise integration layer;

(4) identifying opportunities to maximize federal financial participation and align human services system design, development, implementation, and operations with applicable federal approval requirements;

(5) reviewing the effect of modernization decisions on counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries;

(6) providing recommendations to the legislature on statutory, budgetary, governance, enterprise architecture, and funding changes needed to support successful modernization; and

(7) developing a financing plan to support the ongoing operating costs of systems and projects developed and deployed with the funding under section 16E.50.

(b) For each human services system, the council must make recommendations on modernization goals and priorities, allocation of modernization resources, major system decisions, and tracking total system funding and expenditures from all sources.

(c) The council must provide updates on the council's duties under this subdivision to the Legislative Commission on Human Services Systems under section 256.0142 at least annually.

(d) The Human Services Systems Modernization Advisory Council must coordinate modernization plans and activities with the Technology Advisory Council established under section 16E.036.

Subd. 6. **Prior consultation required.** (a) Before initiating any work on a major modernization project or procurement that would materially affect counties or federally recognized Indian Tribes located in Minnesota, the commissioners of human services; children, youth, and families; and information technology services must present

the proposal to the council and consider the council's recommendations. If the commissioners do not adopt a recommendation of the council that materially affects counties or federally recognized Indian Tribes located in Minnesota, the commissioners must provide a written explanation within ten business days to the council and the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance.

(b) When making a recommendation under this subdivision, the council must consider:

(1) impacts on counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries;

(2) strategies to transition from legacy human services systems, including continuity of operations and mitigation of service disruption;

(3) project timelines, milestones, risks, and dependencies;

(4) federal approval pathways, including planning and implementation documentation;

(5) measurable outcomes related to reduction of manual work, duplicative data entry, processing time, and administrative burden;

(6) development and use of enterprise data, analytics, and performance dashboards; and

(7) prioritization of modernization initiatives based on clauses (1) to (6), feasibility, federal requirements, and available resources.

Subd. 7. **Report.** Beginning February 1, 2027, and annually thereafter, the council must submit a report to the Legislative Commission on Human Services Systems under section 256.0142 and to the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance. The report must include:

(1) project status and risks;

(2) council findings and recommendations;

(3) major procurement or implementation developments;

(4) federal financial participation opportunities and constraints; and

(5) any recommended draft legislation.

Sec. 3. **[16E.50] HUMAN SERVICES SYSTEMS MODERNIZATION FUND.**

Subdivision 1. **Fund established.** The human services systems modernization fund is established in the state treasury to provide a funding source for multiyear modernization of human services systems. Money appropriated from the fund must not be encumbered until after a consultation with the Human Services Systems Modernization Advisory Council occurs under section 16E.40, subdivision 6, and may only be used as authorized under subdivision 3.

Subd. 2. **Funding sources.** The fund consists of:

(1) money appropriated or transferred to the fund by law;

(2) money transferred to the fund under an interagency agreement or other lawful agreement;

(3) federal financial participation, federal reimbursements, or other federal payments received for expenditures from the fund; and

(4) gifts, grants, donations, and other contributions received for a purpose consistent with this section.

Subd. 3. **Eligible and ineligible uses.** (a) Money appropriated from the fund must be used only for eligible multiyear modernization activities under subdivision 4 that replace, modernize, consolidate, integrate, migrate, or substantially enhance legacy human services systems and shared technology infrastructure used by the Department of Human Services; the Department of Children, Youth, and Families; counties; federally recognized Indian Tribes located in Minnesota; providers; beneficiaries; and other program partners.

(b) Money appropriated from the fund must not be used for ordinary agency operations that are unrelated to projects developed and implemented under this section, routine maintenance, or minor day-to-day technology improvements.

(c) The commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40 for any decisions on how to allocate any amount governed by this section.

Subd. 4. **Eligible activities.** The following multiyear activities are eligible for funding from this fund:

(1) modernization, integration, enhancement, replacement, migration, or decommissioning of major eligibility, enrollment, case management, claims payment, provider enrollment, licensing, child care, child support, assessment, and service delivery systems;

(2) development and implementation of enterprise architecture, shared services, reusable components, integration layers, application programming interfaces, middleware, identity and access management, and secure data exchange;

(3) modernization of legacy systems to reduce dependence on obsolete platforms, unsupported technology, duplicative systems, manual workarounds, paper-based processes, and noninteroperable system structures;

(4) development of statewide or shared technology infrastructure that supports state agencies, counties, federally recognized Indian Tribes located in Minnesota, providers, and beneficiaries across multiple programs;

(5) data modernization, including data governance, data quality, reporting architecture, analytics infrastructure, payment accuracy, fraud prevention, and program integrity capabilities;

(6) system changes necessary to improve interoperability among state, county, Tribal, provider, vendor, and federal systems; and

(7) evaluation, development, or implementation of automation, machine learning, predictive analytics, or advanced modeling tools when part of a multiyear modernization project. The activities under this clause are subject to applicable privacy, security, accessibility, data governance, procurement, and program integrity requirements.

Subd. 5. **Priorities.** (a) When the commissioner of information technology services has authority to prioritize projects under this section, the commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40.

(b) When the commissioner of information technology services has authority to allocate money appropriated from this fund, the commissioner of information technology services must prioritize projects that:

(1) support the multiyear modernization plan under subdivision 6 for human services systems;

(2) replace, modernize, consolidate, or substantially transform legacy human services systems that create significant operational, fiscal, security, compliance, or service delivery risk;

(3) improve interoperability across state, county, Tribal, provider, vendor, and federal systems;

(4) reduce duplicative systems and avoid creating new stand-alone systems when shared, statewide, modular, or interoperable solutions are feasible;

(5) improve user experience, system reliability, cybersecurity, privacy, accessibility, data quality, and disaster recovery capacity;

(6) reduce long-term state, county, and Tribal administrative burden by modernizing core system architecture and shared infrastructure;

(7) improve program integrity, including fraud prevention, audit readiness, and compliance; and

(8) support phased implementation and measurable progress toward modernizing, consolidating, replacing, or decommissioning obsolete systems.

Subd. 6. **Multiyear modernization plan.** (a) The commissioner of information technology services must maintain a multiyear modernization plan for human services systems supported by the fund and must develop a preliminary plan by March 1, 2027. The plan must include:

(1) a statewide inventory of major human services systems;

(2) modernization priorities and sequencing;

(3) major projects and anticipated timelines;

(4) human services system dependencies and integration needs;

(5) estimated costs and funding sources, including a financing plan to support the ongoing operating costs of systems and projects developed and deployed with the funding under this section;

(6) federal financial participation assumptions;

(7) anticipated advance planning documents, implementation documents, cost allocation plans, procurement approvals, and certification requirements;

(8) major procurement and contract needs;

(9) planned legacy system transitions, replacements, migrations, and decommissioning;

(10) enterprise architecture standards and shared technology components;

(11) cybersecurity, privacy, accessibility, and data governance requirements;

(12) expected outcomes and performance measures; and

(13) tracking of all recommendations for statutory, budgetary, governance, procurement, or enterprise architecture changes.

(b) The commissioner of information technology services must consult with the commissioners of human services and children, youth, and families and the Human Services Systems Modernization Advisory Council under section 16E.40, when developing and maintaining the multiyear modernization plan under this subdivision.

Subd. 7. **Annual report.** Beginning February 1, 2027, and annually thereafter, the commissioner of information technology services, in consultation with the commissioners of human services and children, youth, and families, must submit a report to the Human Services Systems Modernization Advisory Council under section 16E.40, to the Legislative Commission on Human Services Systems under section 256.0142, and to the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems and state government finance. The report must include:

(1) fund balances, receipts, transfers, and expenditures;

(2) projects funded from the fund;

(3) project status, timelines, risks, and dependencies;

(4) federal financial participation received or anticipated;

(5) major procurements, contracts, or implementation developments;

(6) progress toward the multiyear modernization plan under subdivision 6;

(7) legacy systems replaced, consolidated, modernized, migrated, or decommissioned;

(8) measurable outcomes, including reductions in processing times, payment errors, duplicative data entry, administrative burden, legacy system risk, and total cost of ownership; and

(9) any recommended draft legislation.

Sec. 4. **[256.0142] LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS.**

Subdivision 1. **Establishment; duties.** (a) The Legislative Commission on Human Services Systems is created to provide legislative oversight, monitoring, and recommendations regarding the planning, financing, procurement, development, implementation, operation, and modernization of human services systems.

(b) The commission must provide legislative oversight and monitoring of human services systems modernization, including efforts by counties, federally recognized Indian Tribes located in Minnesota, the Department of Human Services, the Department of Children, Youth, and Families, and the Department of Information Technology Services to manage, develop, update, replace, integrate, or modernize human services systems.

(c) The commission must:

(1) review the status, risks, dependencies, timelines, costs, and outcomes of legacy and modernized human services systems;

(2) monitor and review reports, updates, recommendations, and draft legislation submitted by the Human Services Systems Modernization Advisory Council under section 16E.40;

(3) review reports submitted by the commissioner of information technology services under section 16E.50 and any reports related to systems modernization appropriations;

(4) evaluate Minnesota's state-supervised, county-administered human services system and provide recommendations for changes, if applicable, including changes to roles and responsibilities for program eligibility, service delivery, case management, provider enrollment, service authorization, payment accuracy, and program integrity;

(5) review how other states procure, administer, and deliver human services programs and services and the information technology infrastructure utilized;

(6) identify areas within governance, procurement, funding, data-sharing, privacy, cybersecurity, accessibility, and technology structures that need legislative action; and

(7) recommend statutory, budgetary, governance, procurement, enterprise architecture, accountability, and funding changes needed to support successful modernization.

(d) The commission must work with federally recognized Indian Tribes located in Minnesota, counties, the Department of Human Services, the Department of Children, Youth, and Families, and the Department of Information Technology Services to:

(1) evaluate proposals for systems modernization to information technology systems used by counties, federally recognized Indian Tribes located in Minnesota, the Department of Human Services, or the Department of Children, Youth, and Families; and

(2) consider overall costs to the state, counties, and federally recognized Indian Tribes located in Minnesota for the implementation of systems modernization, and assess whether proposed solutions improve services to Minnesotans and efficiently allocate administrative responsibilities across stakeholders.

Subd. 2. **Members; meetings.** (a) The commission consists of eight members as follows:

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

(2) four members of the senate, two appointed by the senate majority leader and two appointed by the senate minority leader.

(b) Members of the commission serve a term that begins upon appointment and expires on December 31 of the even-numbered year following the year they are appointed.

(c) A vacancy must be filled in the same manner as the original appointment.

(d) The speaker of the house and the senate majority leader must each designate one cochair from among the members appointed to the commission. The cochairs must alternate presiding over commission meetings. The commission may elect other officers as necessary.

(e) The commission must meet at least twice a year and may meet more frequently at the call of a cochair.

(f) Meetings of the commission are subject to section 3.055. The commission must provide an opportunity for public testimony when practicable.

(g) The commission may request testimony, briefings, documents, and data from state agencies, counties, federally recognized Indian Tribes located in Minnesota, vendors, providers, and other stakeholders, subject to state and federal data privacy, security, procurement, and confidentiality laws.

Subd. 3. **Administrative and research support.** The Legislative Coordinating Commission must provide administrative support to the commission and arrange meeting space for commission meetings. House and senate research, fiscal, and counsel staff may provide research and technical assistance to the commission.

Subd. 4. **Agency cooperation.** The Department of Human Services, the Department of Children, Youth, and Families, the Department of Information Technology Services, Minnesota Management and Budget, counties, and other state agencies must cooperate with the commission and provide information requested by the commission to the extent permitted by state and federal law.

Subd. 5. **Report.** By February 15, 2028, and annually thereafter, the commission, in cooperation with the commissioners of human services, information technology services, and children, youth, and families, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and children, youth, and families. The report must contain information on the results of the commission's evaluations, identifications, and reviews under subdivision 1; recommendations for any legislative changes; and funding needs to implement any recommended changes.

Subd. 6. **Expiration.** The commission expires December 31, 2033.

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

Sec. 5. **HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL; FIRST APPOINTMENTS AND MEETING.**

Appointing authorities for the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40, must make initial appointments by August 15, 2026. The commissioner of information technology services, or the commissioner's designee, must convene the first meeting of the council by September 15, 2026.

Sec. 6. **LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS; FIRST APPOINTMENTS AND FIRST MEETING.**

Appointing authorities for the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142, must make first appointments to, and designate the cochairs of, the Legislative Commission on Human Services Systems by August 15, 2026. The member designated as cochair by the majority leader of the senate must convene the first meeting of the commission by September 15, 2026.

Sec. 7. **APPROPRIATION; COUNTY INFORMATION TECHNOLOGY SYSTEMS UPDATES.**

Subdivision 1. **Appropriation.** $10,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of information technology services to update information technology systems used by counties. This appropriation must be used, in collaboration with the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40, to fund the projects under subdivision 3. Minnesota Statutes, section 16B.98, subdivision 14, does not apply to this appropriation. This is a onetime appropriation and is available until June 30, 2031.

Subd. 2. **County grants.** The commissioner of information technology services may make grants to counties for projects under this section. Counties must submit an application in a form and manner determined by the commissioner of information technology services. If multiple counties want to apply for a grant, the counties must choose a single county to act as a fiscal agent. The fiscal agent may make subgrants or transfer appropriated money to other counties identified in the grant application under an intergovernmental agreement or contract. Any grant or subgrant is subject to the reporting requirements determined by the commissioner of information technology services.

Subd. 3. **Information technology modernization projects.** The appropriation under subdivision 1 must be used to fund the following information technology projects:

(1) shared data access, reporting, analytics, dashboards, and operational support tools for county and Tribal human services administration;

(2) workflow automation, electronic forms, electronic signatures, document management, case routing, case notes, notices, verification tools, and data-entry support tools for county and Tribal workers;

(3) participant, provider, partner, county, Tribal, and worker-facing functionality, including secure portals, document upload, electronic notices, application and benefit status tracking, account management, secure messaging, and communication tools;

(4) user interface improvements, worker portals, application programming interfaces, integration tools, rules engines, automation tools, and other tools that replace, supplement, or reduce reliance on legacy systems, manual workarounds, paper-based processes, or character-based screens used by counties and Tribal Nations;

(5) improvements to MNbenefits and related application, renewal, verification, and self-service functionality when the improvements support county or Tribal administration;

(6) improvements to human services systems used by counties or Tribal Nations;

(7) system functionality related to eligibility support, case administration, notices, verification, income verification, identity matching, service authorization, provider enrollment, provider payment, claims processing, third-party billing, payment accuracy, and program integrity when used by counties or Tribal Nations;

(8) reusable integration tools, application programming interfaces, middleware, identity and access management, secure data exchange, and shared components that improve interoperability among county, Tribal, state, provider, vendor, and federal systems;

(9) testing, security, privacy, accessibility, training, change management, and implementation support necessary to carry out activities funded under this section;

(10) activities necessary to maintain continuity of operations for counties and Tribal Nations during system changes, phased implementation, data conversion, migration, or transition from legacy systems;

(11) evaluation, development, or implementation of automation tools, including artificial intelligence, process automation, predictive analytics, or advanced modeling, when used to improve county or Tribal administrative efficiency, payment accuracy, program integrity, or service delivery and when subject to applicable privacy, security, accessibility, data governance, procurement, and program integrity requirements;

(12) projects that are scalable for statewide or shared use by counties and Tribal Nations and avoid creating duplicative systems when shared, statewide, modular, or interoperable solutions are feasible; and

(13) supporting additional priorities identified by the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40.

Subd. 4. **Transfer.** The commissioner of management and budget must transfer any unencumbered or unexpended amount of the appropriation under subdivision 1 as of June 30, 2031, from the general fund to the human services systems modernization fund under Minnesota Statutes, section 16E.50.

Sec. 8. **APPROPRIATION; LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS.**

$559,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the Legislative Coordinating Commission to administer the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142. This is a onetime appropriation and is available until June 30, 2029.

Sec. 9. **APPROPRIATION; HUMAN SERVICES SYSTEMS MODERNIZATION ADVISORY COUNCIL.**

$3,900,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of information technology services to support the Human Services Systems Modernization Advisory Council under Minnesota Statutes, section 16E.40. This is a onetime appropriation and is available until June 30, 2029.

Sec. 10. **APPROPRIATIONS; COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES.**

(a) $2,163,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for the MAXIS integration layer. The base for this appropriation is $4,737,000 in fiscal year 2028 and $3,893,000 in fiscal year 2029.

(b) $1,074,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to consolidate the economic assistance program policy manual and for an artificial intelligence chatbot. This is a onetime appropriation and is available until June 30, 2029.

(c) $1,583,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to expand income verification technology. The base for this appropriation is $1,655,000 in fiscal year 2028 and $1,655,000 in fiscal year 2029.

(d) $1,414,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to develop a secure applicant portal. This is a onetime appropriation and is available until June 30, 2029.

(e) $2,650,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for an eligibility system modernization study and a roadmap for technology modernization. This is a onetime appropriation.

(f) $3,878,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to replace the MAXIS green screens. The base for this appropriation is $1,732,000 in fiscal year 2028 and $1,004,000 in fiscal year 2029.

(g) $11,914,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families to develop a rules engine to improve MAXIS automation and minimize manual workarounds. $9,042,000 of this amount is available until June 30, 2029. The base for this appropriation is $2,264,000 in fiscal year 2028 and $1,240,000 in fiscal year 2029.

(h) $3,265,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of children, youth, and families for an interagency governance team to support information technology project implementation, cross-agency coordination, and engagement with counties and Tribal Nations. This appropriation includes funding for Department of Information Technology Services staff. This is a onetime appropriation and is available until June 30, 2029.

Sec. 11. **APPROPRIATIONS; COMMISSIONER OF HUMAN SERVICES.**

(a) $1,810,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of human services for an interagency governance team to support information technology project implementation, cross-agency coordination, and engagement with counties and Tribal Nations. This is a onetime appropriation and is available until June 30, 2029.

(b) $9,660,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of human services for administration of MAXIS and METS system improvements under Minnesota Statutes, section 16E.50, subdivision 4. This is a onetime appropriation and is available until June 30, 2029.

Sec. 12. **APPROPRIATIONS; COMMISSIONER OF INFORMATION TECHNOLOGY.**

$11,413,000 in fiscal year 2027 is appropriated from the human services systems modernization fund to the commissioner of information technology services for information technology projects under Minnesota Statutes, section 16E.50, subdivision 4. The amount appropriated in fiscal year 2027 is available until June 30, 2031. This is a onetime appropriation and is available until June 30, 2031.

Sec. 13. **APPROPRIATIONS; FRAUD PREVENTION AND DETECTION.**

$15,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of information technology services for technology modernization to advance fraud prevention and detection by improving data sharing between agencies, utilizing modern analytics, and enhancing security, identity authentication, and verification capabilities for state services. This is a onetime appropriation and is available until June 30, 2031.

Sec. 14. **TRANSFER.**

The commissioner of management and budget must transfer $49,999,000 in fiscal year 2027 from the general fund to the human services systems modernization fund under Minnesota Statutes, section 16E.50. The base for this transfer is $8,536,000 in fiscal year 2028 and $6,464,000 in fiscal year 2029."

Delete the title and insert:

"A bill for an act relating to state government; creating a Human Services Systems Modernization Advisory Council and a Legislative Commission on Human Services Systems; establishing a modernization fund and eligible uses; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16A; 16E; 256."

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

The report was adopted.

Frazier and Torkelson from the Committee on Ways and Means to which was referred:

S. F. No. 1943, A bill for an act relating to commerce; prohibiting pet shops from selling cats and dogs; amending Minnesota Statutes 2024, sections 325F.79; 325F.791, subdivisions 1, 5; 325F.792, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
OUTDOOR HERITAGE FUND

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 outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal 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. The appropriations in this article are onetime appropriations.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **OUTDOOR HERITAGE FUND**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$191,081,000**
This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Prairies**	-0-	36,387,000

(a) RIM Grasslands Reserve, Phase 7

$2,334,000 the second year is to acquire permanent conservation easements and to restore and enhance wildlife habitat. Of this amount, $191,000 is to the commissioner of natural resources for an agreement with Ducks Unlimited and $2,143,000 is to the Board of Water and Soil Resources. Of the amount to the Board of Water and Soil Resources, up to $50,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(b) Accelerating Wildlife Management Area Program, Phase 18

$4,521,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and to restore and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900,

priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(c) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase 18

$3,502,000 the second year is to the commissioner of natural resources to acquire in fee and to restore and enhance lands for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(d) Martin County DNR WMA Acquisition, Phase 10

$3,017,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and to restore and enhance strategic prairie grassland, wetland, and other wildlife habitat in Martin and Watonwan Counties for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, as follows: $2,363,000 to Fox Lake Conservation League, Inc.; $583,000 to Ducks Unlimited; and $71,000 to the Conservation Fund.

(e) Northern Tallgrass Prairie National Wildlife Refuge, Phase 16

$3,087,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee or permanent conservation easements and to restore and enhance lands in the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota to add to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(f) Minnesota Prairie Recovery Program, Phase 15

$3,492,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land in fee and to restore and enhance native prairie, grasslands, wetlands, and savanna. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected

native prairie. Annual income statements and balance sheets for income and expenses from land acquired and held by The Nature Conservancy with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days after the The Nature Conservancy's fiscal year closes.

(g) Prairie Chicken Habitat Partnership of Southern Red River Valley, Phase 12

$3,094,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and to restore and enhance lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(h) RIM Buffers for Wildlife and Water, Phase 12

$3,744,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore habitat under Minnesota Statutes, section 103F.515, to protect, restore, and enhance habitat by expanding the riparian buffer program under the clean water fund for additional wildlife benefits from buffers on private land. Of this amount, up to $60,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(i) Accelerating USFWS Habitat Conservation Easement Program, Phase 6

$4,509,000 the second year is to the commissioner of natural resources for agreements to restore and enhance wetland and prairie habitat on habitat easements of the United States Fish and Wildlife Service as follows: $3,019,000 to Ducks Unlimited and $1,490,000 to Pheasants Forever.

(j) DNR Grassland Enhancement, Phase 17

$2,139,000 the second year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas in wildlife management areas; in

scientific and natural areas; in aquatic management areas; on lands in the native prairie bank; in bluff prairies on state forest land in southeastern Minnesota; and in waterfowl production areas and refuge lands of the United States Fish and Wildlife Service.

(k) Enhanced Public Land - Grasslands, Phase 9

$2,948,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore grassland and wetland habitat on public lands in the forest prairie transition, metro urban, and prairie ecoregions of Minnesota.

Subd. 3. **Forests** -0- 36,939,000

(a) Northern Forests Legacy Project

$25,090,000 the second year is to the commissioner of natural resources to acquire priority forest lands in fee in St. Louis County as wildlife management areas, scientific and natural areas, state forests, and county forests. Of this amount, $12,866,000 is for an agreement with St. Louis County.

(b) Sand Lake and Seven Beavers Acquisition and Enhancement

$7,347,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire priority forest habitat lands in fee as The Nature Conservancy lands, Rajala Woods Foundation lands, state forests, and county forests. For lands held in perpetuity by The Nature Conservancy and Rajala Woods Foundation, annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days after each organization's respective fiscal year closes.

(c) Hardwood Hills Habitat Conservation Program, Phase 3

$2,558,000 the second year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance forest habitats in the hardwood hills ecological section of west-central Minnesota as follows: $90,000 to St. John's University, $354,000 to Stearns Conservation District, and $2,114,000 to Minnesota Land Trust. Of the amount to Minnesota Land Trust, $252,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(d) DNR Forest Habitat Enhancement, Phase 6

$1,944,000 the second year is to the commissioner of natural resources to restore and enhance forest wildlife habitats on public lands throughout Minnesota.

Subd. 4. **Wetlands** -0- 33,188,000

(a) Accelerating Waterfowl Production Area Acquisition Program, Phase 18

$5,431,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee and to restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota.

(b) RIM Wetlands - Restoring Most Productive Habitat in Minnesota, Phase 15

$3,502,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to $60,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(c) Shallow Lake and Wetland Protection and Restoration Program, Phase 15

$6,087,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas or national wildlife refuges in Minnesota, in cooperation with the United States Fish and Wildlife Service, and to restore and enhance prairie lands, wetlands, and land-buffering shallow lakes.

(d) Wetland Habitat Protection and Restoration Program, Phase 11

$3,210,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance prairie, wetland, and other habitat on permanently protected conservation easements in high-priority wetland habitat complexes

in the prairie, forest/prairie transition, and forest ecoregions. Of this amount, up to $140,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(e) Living Shallow Lakes and Wetlands Enhancement and Restoration Initiative, Phase 12

$6,661,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore and enhance shallow lakes and wetlands on public lands and wetlands under permanent conservation easement for wildlife management.

(f) Talcot Lake

$1,000,000 the second year is to the commissioner of natural resources for the survey, design, engineering, and permitting of the Talcot Lake restoration and enhancement project in Cottonwood County.

(g) Roseau Lake Rehabilitation, Phase 3

$3,553,000 the second year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance the Roseau Lake and Roseau River habitat complex in Roseau County. The approved accomplishment plan must include an operational and management plan for the Roseau Lake Rehabilitation Project. The Roseau River Watershed District must submit to the Lessard-Sams Outdoor Heritage Council progress reports and a final report that include monitoring data related to water quantity and information about how flooding to adjacent and downstream agricultural lands has been addressed. No money from this appropriation may be expended:

(1) before January 1, 2027; or

(2) during any period in which a court order enjoining the project from moving forward is in effect.

(h) Shallow Lakes and Wetlands Enhancement, Phase 18

$3,744,000 the second year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide.

Subd. 5. **Habitats** -0- 82,408,000

(a) Riparian Habitat Protection in Kettle and Snake River Watersheds, Phase 3

$1,137,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Pine County Soil and Water Conservation District, to acquire permanent conservation easements and restore high-quality forests, wetlands, and shoreline in the Kettle and Snake River watersheds. Of this amount, up to $70,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(b) Cannon River Watershed Habitat Restoration and Protection Program, Phase 15

$2,886,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and to restore and enhance wildlife habitat in the Cannon River Watershed as follows: $92,000 to Clean River Partners and $2,794,000 to Trust for Public Land.

(c) DNR Aquatic Management Area Acquisition and Trout Stream Easement Acquisition

$2,182,000 the second year is to the commissioner of natural resources to acquire land in fee as aquatic management areas and to acquire permanent conservation easements to protect trout-stream aquatic habitat. Of this amount, up to $88,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(d) Washington County Habitat Protection and Enhancement Partnership, Phase 2

$2,812,000 the second year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance wildlife habitats in Washington County as follows: $760,000 to Washington County and $2,052,000 to Minnesota Land Trust. Of the amount to Minnesota Land Trust, $196,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(e) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes, Phase 12

$2,317,000 the second year is to the commissioner of natural resources for an agreement with Northern Waters Land Trust to acquire land in fee and to restore and enhance wildlife habitat to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties.

(f) Greenbelt, Phase 1

$1,467,000 the second year is to the commissioner of natural resources for an agreement with Comfort Lake-Forest Lake Watershed District to acquire land in fee and permanent conservation easements and to restore and enhance wildlife habitat within the Comfort Lake-Forest Lake Watershed District boundary.

(g) Integrating Habitat and Clean Water, Phase 4

$1,827,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore and enhance wildlife habitat identified under the One Watershed, One Plan program for stacked benefit to wildlife and clean water. Of this amount, up to $40,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(h) Metro Big Rivers, Phase 16

$6,776,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota, and St. Croix Rivers and their tributaries in the metropolitan area as follows: $1,491,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; $892,000 to Friends of the Mississippi River; $1,055,000 to Great River Greening; and $3,338,000 to Trust for Public Land.

(i) Mississippi Headwaters Habitat Corridor Project, Phase 10

$2,770,000 the second year is to acquire lands in fee and permanent conservation easements and to restore wildlife habitat in the Mississippi headwaters. Of this amount, (1) $1,387,000 is to the commissioner of natural resources for agreements as follows: $60,000 to the Mississippi Headwaters Board and $1,327,000 to Trust for Public Land; and (2) $1,383,000 is to the Board of Water and Soil Resources, of which up to $70,000 is to establish a monitoring and enforcement fund as approved in the

accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(j) Protecting Coldwater Fisheries on Minnesota's North Shore, Phase 4

$1,695,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance wildlife habitat in priority coldwater tributaries to Lake Superior. Of this amount, up to $196,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(k) Protecting Minnesota's Lakes of Outstanding Biological Significance, Phase 5

$2,983,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance lakes of outstanding biological significance in northeast and north-central Minnesota. Of this amount, $1,612,000 is to the Northern Waters Land Trust and $1,371,000 is to Minnesota Land Trust. Of the amount to Minnesota Land Trust, up to $140,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(l) Red River Basin Riparian Habitat Program, Phase 2

$3,920,000 the second year is to acquire permanent conservation easements to protect, restore, and enhance stream and riparian habitat throughout the Red River watershed. Of this amount, $116,000 is to the commissioner of natural resources for agreements with the Red River Watershed Management Board and $3,804,000 is to the Board of Water and Soil Resources. Of the amount to the Board of Water and Soil Resources, up to $250,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(m) Shell Rock River Watershed Habitat Restoration Program, Phase 15

$2,066,000 the second year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee and to restore and enhance habitat in the Shell Rock River watershed.

(n) Southeast Minnesota Protection and Restoration, Phase 14

$7,956,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance wildlife habitat in southeast Minnesota. Of this amount, $1,035,000 is to The Nature Conservancy, $5,825,000 is to Trust for Public Land, and $1,096,000 is to Minnesota Land Trust. Of the amount to Minnesota Land Trust, up to $140,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(o) St. Croix Watershed Habitat Protection and Restoration, Phase 7

$3,859,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and acquire permanent conservation easements and to restore and enhance natural habitat systems in the St. Croix River watershed as follows: $2,157,000 to Trust for Public Land, $130,000 to Wild Rivers Conservancy, and $1,572,000 to Minnesota Land Trust. Of the amount to Minnesota Land Trust, up to $140,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(p) Upper Mississippi Flyway Habitat Conservation Program

$2,156,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance wetlands, stream corridors, and associated uplands in central Minnesota. Of this amount, up to $196,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(q) A River of Birds in the Sky: Conserving Minnesota's Flyway

$1,227,000 the second year is to the commissioner of natural resources for an agreement with National Audubon Society to restore and enhance priority wildlife habitat along the St. Croix, Minnesota, and Mississippi river valleys.

(r) Bone Lake South, Phase 2

$1,432,000 the second year is to the commissioner of natural resources for an agreement with Comfort Lake-Forest Lake Watershed District to restore and enhance wildlife habitat in the Bone Lake south habitat complex in Washington County.

(s) DNR Aquatic Habitat Restoration and Enhancement, Phase 9

$6,517,000 the second year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage throughout Minnesota.

(t) Little Cannon River Stream Habitat Restoration

$500,000 the second year is to the commissioner of natural resources for agreements for survey, design, engineering, and permitting of the Little Cannon River restoration and enhancement project in Goodhue County as follows: $40,000 to Clean Rivers Partners, $10,000 to Great River Greening, and $450,000 to Trout Unlimited.

(u) Mission Creek Watershed Connectivity

$1,296,000 the second year is to the commissioner of natural resources to restore and enhance coldwater stream habitat in the Mission Creek watershed in St. Louis County.

(v) Mud River Enhancement Project

$2,957,000 the second year is to the commissioner of natural resources for an agreement with Red Lake Watershed District to restore and enhance the Mud River habitat complex in Marshall County.

(w) Oak Savanna Restoration for Living Landscapes

$1,702,000 the second year is to the Board of Water and Soil Resources, in partnership with the Xerces Society, to restore and enhance oak savanna and associated ecosystems on local public and Tribal lands.

(x) Swift Coulee Channel Restoration and Enhancement, Phase 2

$2,671,000 the second year is to the commissioner of natural resources for an agreement with the Middle-Snake-Tamarac Rivers Watershed District to restore and enhance priority habitat associated with the Swift Coulee channel restoration in Marshall County.

(y) Woods Creek Restoration

$750,000 the second year is to the commissioner of natural resources for an agreement with Cook County to restore and enhance coldwater stream habitat in Woods Creek in Cook County.

(z) Minnesota Statewide Trout Habitat Enhancement and Protection

$750,000 the second year is to the commissioner of natural resources for an agreement with Trout Unlimited for survey, design, engineering, and permitting of trout stream restoration and enhancement projects throughout Minnesota.

(aa) Conservation Partners Legacy Grant Program: Metro Habitat

$13,797,000 the second year is to the commissioner of natural resources for a program to provide competitive matching grants of up to $500,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in the seven-county metropolitan area and cities with a population of 50,000 or more. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding $1,000,000. Of the total appropriation, $600,000 may be spent for personnel costs, outreach, and support to first-time applicants and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind. For grant applications of $25,000 or less, the commissioner must provide a separate, simplified application process. Notwithstanding Minnesota Statutes, section 97A.056, subdivision 19, land acquired by fee with money appropriated in this paragraph is not required to be open to public taking of game. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2029. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient completes a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council.

Subd. 6. **Administration** -0- 2,159,000

(a) Contract Management

$450,000 the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan. Money appropriated in this paragraph is available until June 30, 2028.

(b) Core Functions in Partner-led OHF Land Acquisitions

$1,377,000 the second year is to the commissioner of natural resources to administer the initial development, restoration, and enhancement of land acquired in fee with money appropriated from the outdoor heritage fund. This appropriation may be used for land acquisition costs incurred by the Department of Natural Resources as part of conveyance of parcels to the department and initial development activities on fee title acquisitions. Money appropriated in this paragraph is available until June 30, 2034.

(c) Technical Evaluation Panel

$192,000 the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 20 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10. Money appropriated in this paragraph is available until June 30, 2028.

(d) Legislative Coordinating Commission

$140,000 the second year is to the Legislative Coordinating Commission for administrative expenses of the Lessard-Sams Outdoor Heritage Council and for compensating and reimbursing expenses of council members. This appropriation is in addition to the fiscal year 2027 appropriation in Laws 2025, chapter 36, article 1, section 2, subdivision 6, paragraph (b), and is available until June 30, 2027. Minnesota Statutes, section 16A.281, applies to this appropriation.

Subd. 7. **Availability of Appropriation**

(a) Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect

costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

(b) Money appropriated in this section is available as follows:

(1) money appropriated to acquire real property is available until June 30, 2030;

(2) money appropriated to restore and enhance land acquired with an appropriation in this article is available for four years after the acquisition date, with a maximum end date of June 30, 2034;

(3) money appropriated to restore and enhance other land is available until June 30, 2031;

(4) notwithstanding clauses (1) to (3), money appropriated for a project that receives at least 15 percent of its funding from federal funds is available until a date sufficient to match the availability of federal funding to a maximum of six years if the federal funding was confirmed and included in the original approved draft accomplishment plan; and

(5) money appropriated for other projects is available until the end of the fiscal year in which it is appropriated.

Subd. 8. **Payment Conditions and Capital Equipment Expenditures**

(a) All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2026, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice or a binding agreement with the landowner and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate

cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of $10,000 must be itemized in and approved as part of the accomplishment plan.

(b) Unless otherwise provided, no money appropriated from the outdoor heritage fund in this article may be used to acquire, restore, or enhance any real property unless the specific acquisition, restoration, or enhancement is approved as part of the accomplishment plan on the parcel list.

(c) Reimbursement of eligible expenses must be submitted no later than 12 months after the approval of the final report.

Subd. 9. **Mapping**

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded according to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Subd. 10. **Carryforward**

(a) The availability of the appropriation for Laws 2021, First Special Session chapter 1, article 1, section 2, subdivision 5, paragraph (l), St. Louis River Restoration Initiative, Phase VIII, is extended to June 30, 2027.

(b) The availability of the appropriation for Laws 2022, chapter 77, article 1, section 2, subdivision 5, paragraph (u), Daylighting Phalen Creek, is extended to June 30, 2028.

EFFECTIVE DATE. Subdivision 10 is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2024, section 97A.056, subdivision 2, is amended to read:

Subd. 2. **Lessard-Sams Outdoor Heritage Council.** (a) The Lessard-Sams Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

(1) two public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two public members appointed by the speaker of the house;

(3) four public members appointed by the governor;

(4) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Public members serve four-year terms. Appointed legislative members serve at the pleasure of the appointing authority. Public and legislative members continue to serve until their successors are appointed. Public members shall be initially appointed according to the following schedule of terms:

(1) two public members appointed by the governor for a term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013; and

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013.

(f) Terms, compensation, and removal of public members are as provided in section 15.0575, except that a public member may be compensated at the rate of up to $125 a day. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term. A public member of the council may not serve more than eight years, except a public member may serve an additional six months as necessary to fill a vacancy.

(g) Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

~~(h) The Legislative Coordinating Commission may appoint nonpartisan staff and contract with consultants as necessary to support the functions of the council. The council has final approval authority for the hiring of a candidate for executive director. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.~~

Sec. 4. Minnesota Statutes 2024, section 97A.056, is amended by adding a subdivision to read:

Subd. 2a. **Administration; executive director.** (a) The Legislative Coordinating Commission may appoint nonpartisan staff and contract with consultants as necessary to support the functions of the council.

(b) The council has final approval authority for hiring a candidate for executive director. Notwithstanding subdivision 5, a quorum of the council may discuss, interview, and select candidates for executive director in a meeting closed to the public.

(c) Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

Sec. 5. Laws 2024, chapter 106, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. **Habitats**	-0-	101,294,000

(a) St. Croix Watershed Habitat Protection and Restoration, Phase 5

$4,711,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and acquire permanent conservation easements and to restore and enhance natural habitat systems in the St. Croix River watershed as follows: $1,905,000 to Trust for Public Land; $110,000 to Wild Rivers Conservancy; and $2,696,000 to Minnesota Land Trust. Up to $224,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(b) Pine and Leech Watershed Targeted RIM Easement Permanent Land Protection, Phase 3

$2,242,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Crow Wing County Soil and Water Conservation District, to acquire permanent conservation easements of high-quality forest, wetland, and shoreline habitat. Up to $120,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(c) Protecting Minnesota's Lakes of Outstanding Biological Significance, Phase 3

$3,321,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance lakes of outstanding biological significance in northeast and north-central Minnesota. Of this amount, $1,083,000 is to the Northern Waters

Land Trust and $2,238,000 is to Minnesota Land Trust. Up to $224,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(d) Shell Rock River Watershed Habitat Restoration Program, Phase 13

$2,060,000 the second year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee and restore and enhance habitat in the Shell Rock River watershed.

(e) Cannon River Watershed Habitat Restoration and Protection Program, Phase 13

$2,555,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and restore and enhance wildlife habitat in the Cannon River watershed as follows: $54,000 to Clean River Partners; $888,000 to Great River Greening; and $1,613,000 to Trust for Public Land.

(f) Mississippi Headwaters Habitat Corridor Project, Phase 8

$2,706,000 the second year is to acquire lands in fee and permanent conservation easements and to restore wildlife habitat in the Mississippi headwaters. Of this amount:

(1) $1,706,000 is to the commissioner of natural resources for agreements as follows: $57,000 to the Mississippi Headwaters Board and $1,649,000 to Trust for Public Land; and

(2) $1,000,000 is to the Board of Water and Soil Resources, of which up to $100,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(g) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes, Phase 10

$2,687,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and in permanent conservation easements and to restore and enhance wildlife habitat to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties as follows: $2,252,000 to Northern Waters Land Trust and $435,000 to Minnesota Land Trust. Up to $56,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(h) Red River Basin Riparian Habitat Program

$5,119,000 the second year is to acquire permanent conservation easements to protect, restore, and enhance stream and riparian habitat throughout the Red River watershed. Of this amount, $169,000 is to the commissioner of natural resources for an agreement with the Red River Watershed Management Board and $4,950,000 is to the Board of Water and Soil Resources. Up to $380,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(i) Resilient Habitat for Heritage Brook Trout, Phase 2

$2,486,000 the second year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance habitat in targeted watersheds of southeast Minnesota to improve heritage brook trout and coldwater aquatic communities. Of this amount, $400,000 is to The Nature Conservancy, $612,000 is to Trout Unlimited, and $1,474,000 is to Minnesota Land Trust. Up to $168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(j) Southeast Minnesota Protection and Restoration, Phase 12

$3,052,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and to restore and enhance wildlife habitat on public lands and permanent conservation easements in southeast Minnesota as follows: $970,000 to The Nature Conservancy, $964,000 to Trust for Public Land, and $1,118,000 to Minnesota Land Trust. Up to $112,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(k) Lower Wild Rice River Corridor Habitat Restoration, Phase 4

$2,345,000 the second year is to acquire land in permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. Of this amount, $30,000 is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District and $2,315,000 is to the Board of Water and Soil Resources. The Board of Water and Soil Resources may use up to $60,000 for establishing a monitoring and enforcement

fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(l) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase 16

$1,359,000 the second year is to the commissioner of natural resources to acquire in fee and restore and enhance lands for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(m) Accelerating Habitat Conservation in Southwest Minnesota, Phase 3

$2,872,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance high-quality wildlife habitat in southwest Minnesota. Of this amount, up to $168,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(n) Sauk River Watershed Habitat Protection and Restoration, Phase 5

$3,965,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and restore and enhance wildlife habitat in the Sauk River watershed as follows: $375,000 to Great River Greening; $1,199,000 to Sauk River Watershed District; $1,192,000 to Pheasants Forever; and $1,199,000 to Minnesota Land Trust. Up to $168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(o) Metro Big Rivers, Phase 14

$8,123,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota, and St. Croix Rivers and their tributaries within the metropolitan area as follows:

$1,250,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; $420,000 to Friends of the Mississippi River; $803,000 to Great River Greening; $2,750,000 to Trust for Public Land; and $2,900,000 to Minnesota Land Trust. Up to $224,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(p) Anoka Sand Plain Habitat Conservation, Phase 9

$1,802,000 the second year is to the commissioner of natural resources for agreements to restore and enhance wildlife habitat on public lands and easements in the Anoka Sand Plain ecoregion and intersecting minor watersheds as follows: $1,508,000 to Great River Greening and $294,000 to Sherburne County.

(q) DNR Aquatic Habitat Restoration and Enhancement, Phase 7

$4,206,000 the second year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage.

(r) Minnesota Statewide Trout Habitat Enhancement

$2,308,000 the second year is to the commissioner of natural resources for an agreement with Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams throughout Minnesota.

(s) Knife River Habitat Rehabilitation, Phase 7

$1,572,000 the second year is to the commissioner of natural resources for an agreement with the Arrowhead Regional Development Commission, in cooperation with the Lake Superior Steelhead Association, to restore and enhance trout habitat in the Knife River watershed. If the Arrowhead Regional Development Commission declines to serve as the fiscal agent for the project, an alternative fiscal agent must be identified in the accomplishment plan for the project.

(t) DNR St. Louis River Restoration Initiative, Phase 11

$2,163,000 the second year is to the commissioner of natural resources to restore and enhance priority aquatic, riparian, and forest habitats in the St. Louis River estuary. Of this amount, $716,000 is for an agreement with Minnesota Land Trust.

(u) Roseau Lake Rehabilitation, Phase 2

$3,054,000 the second year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance the Roseau Lake and Roseau River habitat complex in Roseau County, Minnesota.

(v) Highbanks Ravine Bat Hibernaculum

$2,300,000 the second year is to the commissioner of natural resources for an agreement with the city of St. Cloud to enhance the Highbanks Ravine Bat Hibernaculum in St. Cloud.

(w) Owámniyomni Native Landscape and River Restoration, St. Anthony Falls

$1,918,000 the second year is to the commissioner of natural resources for an agreement with Friends of the Falls to restore and enhance wildlife habitat at Upper St. Anthony Falls. This appropriation may only be spent for site grading, oak savanna, and aquatic habitat portions of the project.

(x) Silver Lake Dam Fish Passage Modification

$2,368,000 the second year is to the commissioner of natural resources for an agreement with the city of Rochester to restore and enhance aquatic habitat in Silver Lake and the south fork of the Zumbro River by modifying the existing low-head dam in Rochester.

(y) Little Devil Track River Restoration

$3,000,000 the second year is to the commissioner of natural resources for an agreement with Cook County to restore and enhance stream habitat in the Little Devil Track River.

(z) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat, Phase 16

$15,000,000 the second year is to the commissioner of natural resources for a program to provide competitive matching grants of up to $500,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Unless there are not enough eligible grant applications received, of this amount, at least $4,000,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or more and at least $4,000,000 is for grants to applicants that have not previously applied for money from the outdoor heritage fund. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made

from the appropriation in this paragraph for projects that have a total project cost exceeding $1,000,000. Of the total appropriation, $600,000 may be spent for personnel costs, outreach, and support to first-time applicants and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind. For grant applications of $25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources must, when evaluating projects of equal value, give priority to organizations that have a history of receiving, or a charter to receive, private contributions for local conservation or habitat projects. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2027. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient completes a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

(aa) Protecting Upper Mississippi River from Invasive Carp

$12,000,000 the second year is to the commissioner of natural resources to fund activities to protect the upper Mississippi River from invasive carp. Activities within this appropriation include agreements with federal partners, such as the United States Fish and Wildlife Service, to design, construct, and begin operating and maintaining a structural deterrent for invasive carp at Lock and Dam No. 5 on the Mississippi River to protect Minnesota's aquatic habitat through an adaptive management approach. Deterrent design must be fully completed ~~within two years of the date of this appropriation~~ by June 30, 2027. Deterrent installation must be completed by June 30, 2029. Money not spent or obligated for design installation and operation of the deterrent may be used for testing technologies to support the future effectiveness of the deterrent. A detailed accomplishment plan must be submitted to and approved by the Lessard-Sams Outdoor Heritage Council before money is released. This appropriation is available until June 30, 2029.

Sec. 6. **LESSARD-SAMS OUTDOOR HERITAGE COUNCIL; TRANSITION.**

Section 3 is effective July 1, 2026, and applies to appointments of public members of the Lessard-Sams Outdoor Heritage Council made on or after that date. Years served on the council before July 1, 2026, count toward the limits imposed by section 3. Members appointed before July 1, 2026, may serve out the remainder of their terms if their service has exceeded the term limits imposed by section 3.

ARTICLE 2
PARKS AND TRAILS FUND

Section 1. Minnesota Statutes 2024, section 85.536, subdivision 5, is amended to read:

Subd. 5. **Districts; plans and hearings.** (a) The commissioner of natural resources, in consultation with the Greater Minnesota Regional Parks and Trails Coalition, shall establish six regional parks and trails districts in the state encompassing the area outside the seven-county metropolitan area. The commissioner shall establish districts by combining counties and may not assign a county to more than one district.

(b) The commission shall develop a strategic plan and criteria for determining parks and trails of regional significance that are eligible for funding from the parks and trails fund and meet the criteria under subdivision 6.

(c) Counties within each district may jointly prepare, after consultation with all affected municipalities, and submit to the commission, and from time to time revise and resubmit to the commission, a master plan for the acquisition and development of parks and trails of regional significance located within the district. ~~Districtwide plans and master plans for individual parks and trails must meet the protocols and criteria as set forth in the greater Minnesota regional parks and trails strategic plan. The counties, after consultation with the commission, shall jointly hold a public hearing on the proposed plan and budget at a time and place determined by the counties. Not less than 15 days before the hearing, the counties shall provide notice of the hearing stating the date, time, and place of the hearing and the place where the proposed plan and budget may be examined by any interested person. At any hearing, interested persons shall be permitted to present their views on the plan and budget.~~

(d) The commission shall review each master plan to determine whether it meets the conditions of subdivision 6. If it does not, the commission shall return the plan with its comments to the district for revision and resubmittal.

Sec. 2. Minnesota Statutes 2024, section 85.536, subdivision 7, is amended to read:

Subd. 7. **Recommendations.** (a) In recommending grants under this section, the commission shall make recommendations consistent with master plans.

(b) The commission shall determine recommended grant amounts through an adopted merit-based evaluation process that includes the level of local financial support. The evaluation process is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(c) When recommending grants, the commission shall consider balance of the grant benefits across greater Minnesota.

(d) Grants may be recommended only for ~~parks and trails~~ projects included in a plan approved by the commission under subdivision 5.

Sec. 3. Minnesota Statutes 2024, section 85.536, subdivision 8, is amended to read:

Subd. 8. **Chair.** The commission shall ~~annually~~ biennially elect from among its members a chair and other officers necessary for the performance of its duties.

Sec. 4. Minnesota Statutes 2024, section 85.536, subdivision 10, is amended to read:

Subd. 10. **Report.** The commission shall submit a report by January 15 each year listing its recommendations by regional parks and trails district under subdivision 7~~, in priority order,~~ to the chairs and ranking minority members of the committees of the senate and house of representatives with primary jurisdiction over legacy appropriations.

Sec. 5. **PARKS AND TRAILS FUND APPROPRIATION EXTENSIONS.**

(a) The availability of the grant to the St. Louis and Lake Counties Regional Railroad Authority for the Mesabi Trail project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(b) The availability of the grant to Olmsted County for the Oxbow Park and Zollman Zoo project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(c) The availability of the grant to Stearns County for the Kraemer Lake and Wildwood County Park project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(d) The availability of the grant to Redwood County for the Plum Creek Park project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(e) The availability of the grant to the city of Sandstone for the Robinson Quarry Park project from the parks and trails fund fiscal year 2025 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2028.

(f) The availability of the appropriations for coordination and projects between partners from the parks and trails fund in fiscal years 2024 and 2025 under Laws 2023, chapter 40, article 3, section 3, paragraph (f), is extended to June 30, 2028.

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

Sec. 6. **REPEALER.**

Minnesota Statutes 2024, section 85.536, subdivisions 3 and 4, are repealed.

ARTICLE 3
ARTS AND CULTURAL HERITAGE FUND

Section 1. Laws 2023, chapter 40, article 4, section 2, subdivision 6, as amended by Laws 2025, chapter 36, article 4, section 15, is amended to read:

Subd. 6. **Department of Administration**	17,040,000	14,105,000

(a) The amounts in this subdivision are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The

commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary for the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) **Minnesota Public Radio**

$2,050,000 each year is for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

(d) **Association of Minnesota Public Educational Radio Stations**

$2,050,000 the first year and $2,050,000 the second year are to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(e) **Public Television**

$5,000,000 the first year and $4,500,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18. Of the amount in the first year, $1,000,000 is for producing Minnesota military and veterans' history stories and unique immigrant stories from around the state.

(f) **Wilderness Inquiry**

$500,000 the first year and $600,000 the second year are to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth and families to natural resources.

(g) **Como Park Zoo**

$1,725,000 each year is to the Como Park Zoo and Conservatory for program development that features educational programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(h) **Science Museum of Minnesota**

$825,000 each year is to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

(i) **Appetite for Change**

$200,000 the first year is to the nonprofit Appetite for Change for the Community Cooks programming, which will preserve the cultural heritage of growing and cooking food in Minnesota.

(j) **Lake Superior Zoo**

$150,000 each year is to the Lake Superior Zoo to develop educational exhibits and programs.

(k) **Great Lakes Aquarium**

$250,000 each year is to the Lake Superior Center Authority to prepare, fabricate, and install a hands-on exhibit with interactive learning components to educate Minnesotans on the history of the natural landscape of the state.

(l) **State Band**

$25,000 the first year and $25,000 the second year are to the Minnesota state band to provide free concerts throughout the state.

(m) **Veterans Memorial Park in Wyoming**

$100,000 the first year is for a grant to the city of Wyoming to build the Veterans Memorial Plaza and related interpretive walk in Railroad Park.

(n) **Great Northern Festival**

$75,000 the first year and $75,000 the second year are for a grant to support the Great Northern Festival, which connects attendees to parks, outdoor spaces, and cultural venues through a festival.

(o) **Governor's Council on Developmental Disabilities**

$50,000 the first year is to the Minnesota Governor's Council on Developmental Disabilities to continue to preserve and raise awareness of the history of Minnesotans with developmental disabilities.

(p) **Minnesota Council on Disability**

$125,000 the first year and $125,000 the second year are to the Minnesota Council on Disability to provide educational opportunities in the arts, history, and cultural heritage of Minnesotans with disabilities in conjunction with the 50th anniversary of the Minnesota Council on Disability. This appropriation is available until June 30, 2027.

(q) **Keller Regional Park**

$500,000 the first year is for a grant to Ramsey County to preserve Minnesota's cultural heritage by enhancing the tuj lub courts at Keller Regional Park.

(r) **Vietnam War Anniversary**

$250,000 the first year is for a grant to the commissioner of veterans affairs to prepare and host a commemoration program for the 50th anniversary of the Vietnam War.

(s) **St. Paul Cultural Art Installation**

$500,000 the first year is for a grant to ~~Forecast Public Art for an~~ the city of St. Paul for a public art installation celebrating Olympic gold medalist Suni Lee. The project funded by this paragraph must be located in St. Paul at the Conway Recreation Center or, if that site is not practicable, at Lake Phalen at the platform containing the bust of Suni Lee. This appropriation is available until June 30, ~~2027~~ 2028.

(t) **One Heartland Center**

$50,000 each year is for a grant to One Heartland Center for programming and outdoor activities for families and youth in Minnesota.

(u) **Forest Lake Veterans Memorial**

$100,000 the first year is for a grant to the Forest Lake Veterans Memorial Committee to construct a memorial to veterans of the United States armed forces at Lakeside Memorial Park in the city of Forest Lake. This appropriation is available until June 30, 2027.

(v) **Hmong Plaza**

$450,000 the first year is for a grant to the city of St. Paul to construct the Hmong Plaza at Phalen Lake.

(w) **Camille Gage Artist Fellowship**

$55,000 the first year and $55,000 the second year are for a grant to YWCA Minneapolis to fund an annual fellowship to be known as the Camille J. Gage Artist Fellowship. Of this amount, up to $5,000 each year may be used for administrative expenses. YWCA Minneapolis must select a person for the Camille J. Gage Artist Fellowship after an application process that allows both applications by interested persons and nominations of persons by third parties. By October 1, 2026, YWCA Minneapolis must report to the chairs and ranking minority members of the

legislative committees and divisions with jurisdiction over legacy on the use of money appropriated under this paragraph and on the activities of the person selected for the Camille J. Gage Artist Fellowship under this paragraph. This appropriation is available until June 30, 2026.

(x) **Minnesota African American Heritage Museum and Gallery**

$235,000 the first year and $125,000 the second year are for arts and cultural heritage programming celebrating African American and Black communities in Minnesota. Of the amount in the first year, $110,000 is for C. Caldwell Fine Arts for an outdoor mural project in North Minneapolis to work with young people to develop skills while using art as the impetus.

(y) **Tibetan American Foundation of Minnesota**

$25,000 the first year and $25,000 the second year are for a grant to the Tibetan American Foundation of Minnesota to celebrate and teach the art, culture, and heritage of Tibetan Americans in Minnesota.

(z) **Hong De Wu Guan**

$25,000 the first year is for a grant to Hong De Wu Guan to create cultural arts projects like Lion Dance for after-school programs for youth.

(aa) **Sepak Takraw of USA**

$50,000 the first year is for a grant to the Sepak Takraw of USA to work with youth and after-school programs in the community to teach the cultural games of tuj lub and sepak takraw. This appropriation may not be used to hold events.

(bb) **30,000 Feet**

$75,000 the first year and $75,000 the second year are for a grant to 30,000 Feet, a nonprofit organization, to help youth and community artists further develop their artistic skills, to create community art and artistic performances, and to promote and share African American history and culture through the arts.

(cc) **Siengkane Lao Minnesota**

$50,000 the first year and $50,000 the second year are for a grant to Siengkane Lao MN to create cultural arts projects and to preserve traditional performances.

(dd) **Hmong Cultural Center**

$150,000 the first year and $150,000 the second year are for a grant to the Hmong Cultural Center of Minnesota for museum-related programming and educational outreach activities to teach the public about the historical, cultural, and folk arts heritage of Hmong Minnesotans.

(ee) **Comunidades Latinas Unidas En Servicio**

$250,000 the first year and $250,000 the second year are for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to expand arts programming to celebrate Latino cultural heritage; support local artists; and provide professional development, networking, and presentation opportunities.

(ff) **Hmong RPA Writing System**

$300,000 the first year and $300,000 the second year are for grants to recipients who have demonstrated knowledge and interest in preserving Hmong culture to preserve Hmong Minnesotans' heritage, history, language, and culture. Grants must be used in conjunction with Minnesota universities to improve and develop a unified and standardized Latin alphabet form of the Hmong RPA writing system. No portion of this appropriation may be used to encourage religious membership or to conduct personal ceremonies or events. This appropriation is available until June 30, 2028.

(gg) **Somali Museum of Minnesota**

$125,000 the first year and $125,000 the second year are for a grant to the Somali Museum of Minnesota for heritage arts and cultural vitality programs to provide classes, exhibits, presentations, and outreach about the Somali community and heritage in Minnesota.

(hh) **Minnesota Museum of American Art**

$200,000 the first year and $200,000 the second year are for a grant to the Minnesota Museum of American Art for exhibit programming and for a Native American Fellowship at the museum.

(ii) **Fanka Programs**

$250,000 the first year and $250,000 the second year are for a grant to Ka Joog statewide Somali-based collaborative programs for arts and cultural heritage. The funding must be used for Fanka programs to provide arts education and workshops, mentor programs, and community presentations and community engagement events throughout Minnesota.

(jj) **The Bakken Museum**

$150,000 the first year is for a grant to The Bakken Museum for interactive exhibits and outreach programs on arts and cultural heritage.

(kk) **4-H Shooting Sports**

$50,000 the first year is to the University of Minnesota Extension Office to provide grants to Minnesota 4-H chapters that have members participating in state and national 4-H-sanctioned shooting sports events. Eligible costs for grant money include shooting sports equipment and supplies and event fees associated with participating in state shooting sports events.

(ll) **Public Art Saint Paul**

$75,000 each year is for a grant to Public Art Saint Paul for art programming at the Wakpa Triennial Art Festival to showcase new art across the Twin Cities by Minnesota artists in outdoor and indoor settings and to encourage visitors to experience the arts and culture produced by local arts and culture organizations.

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

ARTICLE 4
STATE LANDS

Section 1. Minnesota Statutes 2024, section 84.0272, subdivision 1, is amended to read:

Subdivision 1. **Acquisition procedure.** When the commissioner of natural resources is authorized to acquire ~~lands or interests in lands~~ fee title or an easement interest in land, the procedure set forth in this section ~~shall apply~~ applies. The commissioner of natural resources shall first prepare a fact sheet showing the lands to be acquired, the legal authority for their acquisition, and the qualities of the land that make it a desirable acquisition. The commissioner of natural resources shall cause the lands to be appraised. An appraiser shall before entering upon the duties of office take and subscribe an oath to faithfully and impartially discharge the duties as appraiser according to the best of the appraiser's ability and that the appraiser is not interested directly or indirectly in any of the lands to be appraised or the timber or improvements thereon or in the sale thereof and has entered into no agreement or combination to purchase the same or any part thereof, which oath shall be attached to the report of the appraisal. The commissioner of natural resources may pay less than the appraised value, but shall not agree to pay more than ten percent above the appraised value, except that if the commissioner pays less than the appraised value for a parcel of land, the difference between the purchase price and the appraised value may be used to apply to purchases at more than the appraised value. The sum of accumulated differences between appraised amounts and purchases for more than the appraised amount may not exceed the sum of accumulated differences between appraised amounts and purchases for less than the appraised amount. New appraisals may be made at the discretion of the commissioner of natural resources.

Sec. 2. Minnesota Statutes 2024, section 84.0272, subdivision 2, is amended to read:

Subd. 2. **Stream easements.** (a) Notwithstanding subdivision 1, the commissioner may acquire permanent stream easements for angler access, fish management, and habitat work and easements to access permanent stream easements acquired under this subdivision for a onetime payment based on a value attributed to ~~both~~ the stream ~~and~~, the easement corridor, and any access easement. The payment ~~shall equal~~ equals:

(1) the per linear foot of stream within the easement corridor times $5; plus

(2) the easement corridor acres times the estimated market value~~.~~; plus

(3) the access corridor acres times the estimated market value.

(b) The estimated market value is equal to:

(1) the agricultural market value plus the rural vacant market value plus the managed forest market value; divided by

(2) the acres of agricultural land plus the rural vacant land plus the managed forest land.

(c) The agricultural market value, rural vacant market value, and managed forest market value or equivalent are determined from data collected by the Department of Revenue during its annual spring mini abstract survey. If the Department of Revenue changes its property type groups for its annual spring mini abstract survey, the agricultural market value, the rural vacant market value, and the managed forest market value shall be determined by the commissioner from data collected by the Department of Revenue in a manner that provides the most reasonable substitute for the market values as presently reported. The commissioner must use the most recent available data for the city or township within which the easement corridor is located.

(d) The commissioner shall periodically review the easement payment rates under this subdivision to determine whether the stream easement payments reflect current shoreland market values. If the commissioner determines that the easements do not reflect current shoreland market values, the commissioner shall report to the senate and house of representatives natural resources policy committees with recommendations for changes to this subdivision that are necessary for the stream easement payment rates to reflect current shoreland market values. The recommendations may include an adjustment to the dollar amount in paragraph (a), clause (1).

Sec. 3. Minnesota Statutes 2024, section 84.96, is amended by adding a subdivision to read:

Subd. 10. **Access easement.** The commissioner may acquire easements to access native prairie acquired under this section. The commissioner may pay the landowner or land administrator for access easements an amount equal to or less than 50 percent of the payment rate under subdivision 5.

Sec. 4. **ADDITIONS TO STATE PARKS.**

Subdivision 1. **[85.012] [Subd. 21.] Frontenac State Park, Goodhue County.** The following area is added to Frontenac State Park: Lot 3, Block 1, VILLA MARIA ADDITION, according to the recorded plat thereof, Goodhue County, Minnesota.

Subd. 2. **[85.012] [Subd. 24a.] Great River Bluffs State Park, Winona County.** The following area is added to Great River Bluffs State Park: the West Half of the Southeast Quarter of the Northeast Quarter, Section 33, Township 106 North, Range 5 West, Winona County, Minnesota.

Sec. 5. **DELETION FROM STATE PARK.**

[85.012] [Subd. 42.] Mille Lacs Kathio State Park, Mille Lacs County. The following area is deleted from Mille Lacs Kathio State Park: that part of Government Lot 3, Section 33, Township 43 North, Range 27 West, Mille Lacs County, Minnesota, lying easterly of the easterly right-of-way line of U.S. Trunk Highway 169. Excepting therefrom the following described tract of land: commencing at the northwest corner of said Government Lot 3, said corner being marked by a 2-½-inch aluminum post with brass cap (Bureau of Land Management Monument); thence North 89 degrees 43 minutes 55 seconds East, assumed bearing, along the north line of said Government Lot 3, a distance of 1,076.85 feet to the point of beginning of the land to be described; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 40.88 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 299.64 feet to a ¾-inch rebar with plastic cap stamped MN DNR LS 47461; thence South 14 degrees 26 minutes 27 seconds East, a distance of 170.18 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence South 89 degrees 43 minutes 55 seconds West, a distance of 413.14 feet to a ¾-inch iron rod; thence continuing South 89 degrees 43 minutes 55 seconds West, a distance of 10.50 feet; thence North 07 degrees 53 minutes 17 seconds East, a distance of 70.68 feet; thence North 18 degrees 01 minute 43 seconds East, a distance of 100.09 feet to the point of beginning.

Sec. 6. **PUBLIC SALE OF SURPLUS LAND BORDERING PUBLIC WATER; BECKER COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as: all that part of Government Lot 1, Section 9, Township 138 North, Range 43 West, Becker County, Minnesota, bounded by the water's edge of Rossman Lake and the following described lines: commencing at meander corner No. 17 located at the northwesterly corner of said Government Lot 1; thence North 89 degrees 00 minutes 00 seconds East on an assumed bearing 98.96 feet on and along the north line of said Section 9; thence South 10 degrees 10 minutes 30 seconds East, 233.06 feet to a point on the centerline of a township road and the point of beginning; thence South 10 degrees 10 minutes 30 seconds East, 355.37 feet on and along the centerline of said township road; thence South 87 degrees 05 minutes 10 seconds East, 33.46 feet to the northwesterly corner of Erickson Shores, a plat recorded in the Office of the Register of Deeds, Becker County; thence South 87 degrees 05 minutes 10 seconds East, 443.59 feet on and along the north line of said plat to the northwesterly corner of Lot 1 of Block 1 of said plat; thence North 58 degrees 09 minutes 38 seconds East, 135 feet, more or less, on and along the north line of said Lot 1 of Block 1 to the water's edge of said Rossman Lake and there terminating. And also, from the point of beginning; thence North 88 degrees 40 minutes 54 seconds East, 263 feet, more or less, to the water's edge of Rossman Lake and there terminating. Including all riparian rights to the contained 4.3 acres, more or less, and subject to all existing easements.

(d) The land borders Rossman Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 7. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; MILLE LACS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) to a federally recognized Indian Tribe, subject to the state's reservation of access and dam easements over the land described in paragraph (c) if the state elects to reserve such easements.

(b) The land must not be sold for less than the appraised value. The buyer must reimburse the commissioner for all costs and expenses, including staff costs, incurred by the commissioner in making the property salable and in selling the property. The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is all of or a portion of the land located in Mille Lacs County and described as: that part of Government Lot 3, Section 33, Township 43 North, Range 27 West, Mille Lacs County, Minnesota, lying easterly of the easterly right-of-way line of U.S. Trunk Highway 169. Excepting therefrom the following described tract of land: commencing at the northwest corner of said Government Lot 3, said corner being marked by a 2-½-inch aluminum post with brass cap (Bureau of Land Management Monument); thence North 89 degrees 43 minutes 55 seconds East, assumed bearing, along the north line of said Government Lot 3, a distance of 1,076.85 feet to the point of beginning of the land to be described; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 40.88 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 299.64 feet to a ¾-inch rebar with plastic cap stamped MN DNR LS 47461; thence South 14 degrees 26 minutes 27 seconds East, a distance of 170.18 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence South 89 degrees 43 minutes 55 seconds West, a distance of 413.14 feet to a ¾-inch iron rod; thence continuing South 89 degrees 43 minutes 55 seconds West, a distance of 10.50 feet; thence North 07 degrees 53 minutes 17 seconds East, a distance of 70.68 feet; thence North 18 degrees 01 minute 43 seconds East, a distance of 100.09 feet to the point of beginning.

(d) The land to be sold borders on Mille Lacs Lake. The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to a federally recognized Indian Tribe.

Sec. 8. **PRIVATE CONVEYANCE OF SURPLUS LAND BORDERING PUBLIC WATER; PINE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may convey by private sale the surplus land bordering public water that is described in paragraph (c) for no consideration, subject to the state's reservation of an access easement over the land described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Pine County and is described as: that part of the West 105 feet of the West 205 feet of that part of Lot 48, Auditor's Subdivision of Section 24, Township 41, Range 21, Pine County, Minnesota, lying South of a line described as follows: commencing at a point on the west line of said Lot 48, 570 feet South of the northwest corner of said lot; thence southeasterly to a point in the east line of said Lot 48, midway between the northeast corner and the southeast corner of said lot, and lying North of the northerly water's edge of the North Branch of the Grindstone River, including all riparian rights.

(d) The land borders the Grindstone River. The Department of Natural Resources has determined that the conveyance will ensure that the private landowners have continued access to the Grindstone River after the Grindstone River dam is removed and the channel restored to a natural alignment.

Sec. 9. **CONVEYANCE OF SURPLUS STATE LAND; REDWOOD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.298, or any other law to the contrary, upon approval by the Minnesota Historical Society's Executive Council, the director of the Minnesota Historical Society may convey to the Lower Sioux Indian Community in the state of Minnesota, for no consideration, the surplus land and real property described in paragraph (c).

(b) The Minnesota Historical Society may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Redwood County and is described as: Tract "C" that part of the Northeast Quarter of the Northwest Quarter of Section 8, Township 112, Range 34, Redwood County, Minnesota, lying southerly of the centerline of CSAH 2 as shown on Redwood County Right of Way Plat No. 3 C. S. A. H. Number 2 as of public record, Redwood County, Minnesota.

(d) The Minnesota Historical Society has determined that the state's land management interests and interpretive program interests would best be served if portions of the Lower Sioux Agency Historic Site were conveyed to the Lower Sioux Indian Community in the state of Minnesota.

Sec. 10. **PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Government Lot 2, EXCEPT the South 760 feet; AND EXCEPT that part of Government Lot 2, shown as Parcel 75 on Minnesota Department of Transportation Right of Way Plat No. 69-181, Section 18, Township 62 North, Range 20 West.

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 11. **PRIVATE SALE OF LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale and competitive bidding requirements of Minnesota Statutes, chapter 373, or other law to the contrary, St. Louis County may sell by private sale the county fee-owned lands described in paragraph (b).

(b) The lands to be sold are located in St. Louis County, Section 34, Township 51 North, Range 18 West, and are described as:

(1) Lots 1, 2, 3, 10, 11, and 12, Block B, including part of the vacated alley adjacent and including part of vacated 3rd Avenue adjacent, Brookston;

(2) Lots 4 thru 9, Block B, including part of the vacated alley adjacent, and including part of 3rd Street S adjacent to Lots 6 and 7, and including part of 3rd Avenue adjacent to Lots 4 thru 6 tool house, Brookston; and

(3) that part of the South Half of the Northeast Quarter lying southerly of the Brookston Plat and westerly of County State-Aid Highway 31.

(c) St. Louis County has determined that the county's interest would best be served if the lands were sold.

Sec. 12. **PRIVATE CONVEYANCE OF SURPLUS LAND BORDERING PUBLIC WATER; WABASHA COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may convey by private sale the surplus land that is described in paragraph (c) to the city of Elgin for no consideration.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Wabasha County and is described as:

(1) OUTLOT A, OUTLOT B, and OUTLOT C of WHITEWATER WAY, according to the plat on file and of record in the Office of the County Recorder in and for Wabasha County, Minnesota; and

(2) that part of the West Half of the Northeast Quarter of Section 27, Township 108 North, Range 12 West, Wabasha County, Minnesota, described as follows: beginning at a point of intersection of the north line of the south 165.00 feet of the Northwest Quarter of the Northeast Quarter of said Section 27, with the east line of the West Half of the Northeast Quarter of said Section 27; thence on an assumed bearing of North 89 degrees 44 minutes 01 second West, along said north line of the south 165.00 feet, a distance of 250 feet, more or less, to the centerline of the North Fork of the White Water River; thence northeasterly along said centerline, to a point of intersection with the east line of the West Half of the Northeast Quarter of said Section 27; thence South 00 degrees 11 minutes 14 seconds East, along said east line to the point of beginning.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was conveyed to and used by the city of Elgin for nonmotorized public recreation and public fishing access.

(e) The conveyance must provide that the lands revert to the state if the city of Elgin:

(1) fails to provide the public use intended on the property;

(2) without the written approval of the commissioner, allows a public use other than the public use agreed to by the commissioner at the time of conveyance; or

(3) abandons the public use of the property.

(f) The commissioner must require that the city of Elgin reimburse the commissioner for all costs and expenses, including staff costs, incurred by the commissioner in making the property salable and in conveying the property.

Sec. 13. **CONVEYANCE OF SURPLUS STATE LAND; WASHINGTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.298, or any other law to the contrary, upon approval by the Minnesota Historical Society's Executive Council, the director of the Minnesota Historical Society may convey to the city of Marine on Saint Croix, for no consideration, the surplus land and real property described in paragraph (c).

(b) The Minnesota Historical Society may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Washington County and is described as: that part of Block 47 of Marine, according to the recorded plat thereof, Washington County, Minnesota, described as follows: commencing at the southwest corner of said Block 47; thence North 24 degrees 18 minutes 37 seconds West, assumed bearing, along the westerly line of said Block 47, a distance of 98.35 feet, to the point of beginning of the tract of land to be described; thence continuing North 24 degrees 18 minutes 37 seconds West, along said westerly line of Block 47, a distance of 61.38 feet; thence North 66 degrees 16 minutes 53 seconds East, 89.81 feet; thence South 24 degrees 27 minutes 39 seconds East, 59.63 feet; thence South 65 degrees 09 minutes 47 seconds West, 89.96 feet, to the point of beginning.

Sec. 14. **EFFECTIVE DATE.**

Sections 4 to 13 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions of Lessard-Sams Outdoor Heritage Council and Greater Minnesota Regional Parks and Trails Commission; modifying provisions for acquiring land interests; adding to and deleting from certain state parks; authorizing sales and conveyances of certain lands; appropriating money from outdoor heritage fund; modifying and extending prior appropriations from legacy funds; amending Minnesota Statutes 2024, sections 84.0272, subdivisions 1, 2; 84.96, by adding a subdivision; 85.536, subdivisions 5, 7, 8, 10; 97A.056, subdivision 2, by adding a subdivision; Laws 2023, chapter 40, article 4, section 2, subdivision 6, as amended; Laws 2024, chapter 106, article 1, section 2, subdivision 5; repealing Minnesota Statutes 2024, section 85.536, subdivisions 3, 4."

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

The report was adopted.

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

S. F. No. 5200, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2024, section 268B.185, subdivision 1.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 719, 2484, 2486 and 4808 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 334, 1943 and 5200 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Huot introduced:

H. F. No. 5150, A bill for an act relating to cemeteries; requiring public cemeteries to allow individuals to be buried in accordance with their recognized religion; requiring public cemeteries to allow green burials; amending Minnesota Statutes 2025 Supplement, section 306.991, subdivisions 2, 6; proposing coding for new law in Minnesota Statutes, chapter 306.

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

Jones, Sencer-Mura, Frazier, Agbaje, Jordan, Buck, Acomb, Bahner, Noor, Kraft, Cha, Falconer, Lillie, Reyer, Kotyza-Witthuhn, Coulter, Fischer and Huot introduced:

H. F. No. 5151, A bill for an act relating to the Metropolitan Council; authorizing the council to sell transit-related merchandise, food, and beverages; amending Minnesota Statutes 2024, section 473.405, by adding a subdivision.

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

Hollins, Kozlowski, Finke, Curran, Pérez-Vega, Jordan, Keeler, Gottfried, Tabke and Sencer-Mura introduced:

H. F. No. 5152, A bill for an act relating to records; permitting request to change or add sex indicators on birth and death records; permitting modifications to marriage records; classifying data; amending Minnesota Statutes 2025 Supplement, sections 517.08, subdivision 1a; 517.10; 517.103; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Norris, Curran and Tabke introduced:

H. F. No. 5153, A bill for an act relating to economic development; creating a Minnesota Entrepreneurship Task Force; requiring a report.

The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy.

Hansen, R.; Gottfried; Vang; Sencer-Mura; Bierman; Fischer; Carroll; Clardy; Tabke; Virnig; Jordan; Xiong and Finke introduced:

H. F. No. 5154, A bill for an act relating to agriculture; establishing the Office of Business Regulation and Land Ownership within the Department of Agriculture; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Feist introduced:

H. F. No. 5155, A bill for an act relating to judiciary; requiring human oversight in the creation of official verbatim court records; proposing coding for new law in Minnesota Statutes, chapter 484.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3067, A bill for an act relating to education; clarifying paraprofessional qualifications; amending Minnesota Statutes 2025 Supplement, section 121A.642, subdivision 4.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 3426, A bill for an act relating to natural resources; appropriating money from environment and natural resources trust fund; extending certain prior appropriations; modifying provisions on expenditures from environment and natural resources trust fund; modifying requirements for community grants program; amending Minnesota Statutes 2024, sections 116P.08, subdivision 4, by adding a subdivision; 116P.09, subdivision 6; 116X.03, by adding subdivisions.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 5074, A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 4074, A bill for an act relating to retirement; Minnesota State Retirement System; making administrative and technical changes; Public Employees Retirement Association local government correctional service retirement plan; reducing the employee and employer contribution rates and increasing postretirement adjustments; public employees police and fire retirement plan; reducing the waiting period for post-retirement adjustments; providing direct state aid; Teachers Retirement Association; making administrative changes; St. Paul Teachers Retirement Fund Association; decreasing employee contributions; providing direct state aid; modifying the termination process for firefighter relief associations; implementing recommendations of the state auditor's fire relief association working group; special legislation for the Maple Plain fire department termination of participation in the statewide volunteer firefighter plan; modifying the definition of salary to exclude pay for Minnesota paid leave; requiring the employer of a reemployed annuitant to make employer contributions to the pension plan that covers the annuitant; authorizing elected officials to participate in the health care savings plan; Minnesota Secure Choice Retirement Program; making administrative changes; revising enrollment, notice, annual reporting, and board of director requirements; State Board of Investment; modifying expense apportionment among funds managed by the State Board of Investment; establishing work groups on relief associations and duty disability; establishing the Probation and Telecommunicator Retirement subplan administered by the Minnesota State Retirement System; establishing the Local Government Probation and Telecommunicator Retirement Plan administered by the Public Employees Retirement Association; transfers from the general fund to the new probation and telecommunicator to fund a temporary reduction in employee contribution rates; special legislation for an individual's periods of omitted service; special legislation for an individual with a missing higher education individual retirement account; making technical changes; appropriating and transferring money; amending Minnesota Statutes 2024, sections 6.496; 11A.07, subdivision 5; 11A.17, subdivision 1; 43A.346, subdivisions 8, 10; 144F.01, subdivision 2; 187.03, by adding subdivisions; 187.05, subdivisions 1, 7, by adding a subdivision; 187.06, subdivision 3; 187.07, by adding a subdivision; 187.08, subdivisions 1, 2, 6, 8; 299K.03, subdivision 3; 299N.02, subdivision 1; 352.01, subdivision 13; 352.021, subdivision 2; 352.029, subdivisions 1, 2, 2a; 352.115, subdivisions 7a, 8, 9, 10; 352.1155, subdivision 3; 352.75, subdivision 2; 352.87, subdivisions 1, 2; 352.951; 352.98, subdivisions 1, 3; 353.01, subdivisions 10, 16, 37; 353.0141, subdivision 1; 353.031, subdivisions 1, 2, 3; 353.15, subdivision 1; 353.27, subdivisions 4, 7b, 11, 12, 12a, 12b, 13, 14; 353.30, subdivision 3; 353.33, subdivisions 3, 7a, 11; 353.34, subdivisions 1, 3; 353.37, subdivision 5; 353.371, subdivisions 6, 7; 353.46, subdivision 2; 353D.03, subdivision 6; 353E.03, subdivisions 1, 2; 353G.02, subdivision 4; 353G.08, subdivision 1; 353G.18, subdivision 4; 354.05, subdivisions 35, 37, by adding a subdivision; 354.07, subdivision 2; 354.44, subdivision 5; 354.444, subdivisions 2, 3, 5; 354.445; 354.48, subdivisions 4, 6; 354A.011, subdivisions 14b, 24; 354A.021, subdivision 8; 354A.095; 354A.12, subdivisions 1, 3a, 3c; 354A.29, subdivision 7; 356.20, subdivision 2; 356.214, subdivision 1; 356.216; 356.219, subdivision 1; 356.24, subdivision 3; 356.30, subdivisions 1, 3, by adding a subdivision; 356.302, subdivisions 1, 7; 356.303, subdivision 4; 356.315, subdivision 9; 356.32, subdivision 2; 356.401, subdivision 3; 356.415, subdivisions 1g, 2, by adding a subdivision; 356.461, subdivisions 1, 2; 356.465, subdivision 3; 356.47, subdivision 3; 356.48, subdivision 1; 356.611, subdivision 6; 356.635, subdivision 2a; 356.65, subdivision 1; 356B.02; 423A.02, subdivisions 1b, 3; 424A.001, subdivisions 8, 9, 9a, 9b; 424A.01, subdivision 3; 424A.014, subdivision 1; 424A.016, subdivision 4; 424B.10, subdivision 1b; 424B.22, subdivisions 5, 7, 8, 9, as amended; 465.90; Minnesota Statutes 2025 Supplement, sections 11A.04; 11A.07, subdivision 4; 151.37, subdivision 12; 181.101; 187.03, subdivisions 5, 6a; 187.05, subdivisions 1a, 4; 187.07, subdivision 1; 187.08, subdivision 3; 187.11; 187.12, subdivision 1; 299A.465, subdivision 1; 352.029, subdivision 3; 352.905, by adding a subdivision; 352.907, by adding a subdivision; 353.01, subdivisions 2a, 2b; 353.65, subdivision 3b; 353D.01, subdivision 2; 353D.02, subdivision 7; 356.215, subdivisions 8, 11; 356.24, subdivision 1; 356.415, subdivision 1c; 423A.022, subdivision 2; 424A.016, subdivision 6; 424A.05, subdivision 3; Laws 2022, chapter 65, article 3, section 1, subdivisions 2, as amended, 3, as amended; Laws 2025, chapter 39, article 1, section 8; proposing coding for new law in Minnesota Statutes, chapters 187; 352; 424A; proposing coding for new law as Minnesota Statutes, chapter 353H; repealing Minnesota Statutes 2024, sections 352.87, subdivision 8; 424A.01, subdivision 6; Minnesota Statutes 2025 Supplement, section 187.07, subdivision 3.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 3236.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3236, A bill for an act relating to public safety; requiring helmets for operators of electric-assisted bicycles under the age of 18; imposing requirements on the operation and sale of motorized bicycles; establishing a motorized bicycle safety coordinator; appropriating money; amending Minnesota Statutes 2024, sections 169.011, subdivisions 40b, 44, 45; 169.02, subdivision 1; 169.09, subdivision 8; 169.222, subdivisions 1, 6a, 6b; 169.223; 169.974, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Niska from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bill to be placed on the Supplemental Calendar for the Day for Saturday, May 16, 2026.

H. F. No. 2354.

MOTION TO FIX TIME TO CONVENE

Niska moved that when the House adjourns today it adjourn until 1:00 p.m., Sunday, May 17, 2026. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce 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. 3489, A bill for an act relating to education; establishing a field trip policy; requiring reporting to licensing boards; establishing the criminal offense of grooming; appropriating money; amending Minnesota Statutes 2024, sections 122A.20, subdivisions 1, 2; 260E.15; 260E.28, subdivision 1; 609.352, subdivisions 1, 4, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 260E.065, by adding a subdivision; 260E.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 121A.

THOMAS S. BOTTERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bennett moved that the House concur in the Senate amendments to H. F. No. 3489 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3489, A bill for an act relating to education; establishing a field trip policy; requiring reporting to licensing boards; establishing the criminal offense of grooming; appropriating money; amending Minnesota Statutes 2024, sections 122A.20, subdivisions 1, 2; 260E.15; 260E.28, subdivision 1; 609.352, subdivisions 1, 4, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 260E.065, by adding a subdivision; 260E.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 121A.

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

The bill was repassed, as amended by the Senate, and its title agreed to.

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

RECESS

RECONVENED

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

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Frazier and Torkelson from the Committee on Ways and Means to which was referred:

S. F. No. 4401, A bill for an act relating to cannabis; modifying cannabis business, hemp business, and cannabis event organizer license and endorsement provisions; establishing a cannabis macrobusiness license; modifying labeling requirements for cannabinoid products and lower-potency hemp edibles; modifying studies and an annual market analysis conducted by the Office of Cannabis Management; providing that data reported to the Office of Cannabis Management through statewide monitoring system is not public data; modifying provisions related to public data on cannabis business license applicants and license holders; modifying provisions relating to local unit of government's regulation of cannabis businesses; defining ratio hemp-infused cannabis product; requiring reports; amending Minnesota Statutes 2024, sections 342.01, subdivisions 14, 20, 52, 54, by adding a subdivision; 342.02, subdivision 2; 342.07, subdivision 3; 342.09, subdivision 3; 342.15, subdivisions 2, 5; 342.175; 342.19, subdivision 6; 342.20, subdivisions 1, 2, 3; 342.22, subdivisions 1, 4, 5; 342.23, subdivision 5; 342.25, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.26, subdivisions 1, 2, 3, 4, 5; 342.27, subdivisions 1, 2, 6, 12, by adding a subdivision; 342.28, subdivisions 6, 7, 9, 11, by adding subdivisions; 342.29, subdivisions 5, 6, 8, 8a, 10, by adding subdivisions; 342.30, subdivision 3, by adding a subdivision; 342.31, subdivisions 3, 5; 342.32, subdivision 3, by adding a subdivision; 342.35, subdivision 1; 342.37, subdivision 1; 342.39, as amended; 342.40, subdivision 1; 342.41, subdivision 1; 342.44, subdivision 2; 342.45, subdivision 3; 342.51, by adding subdivisions; 342.515, as amended; 342.61, subdivision 5; 342.63, subdivision 4, by adding a subdivision; 342.66, subdivision 3; 342.80; Minnesota Statutes 2025 Supplement, sections 342.01, subdivision 48; 342.04; 342.10; 342.11; 342.12; 342.13; 342.14, subdivisions 3, 6; 342.16; 342.18, subdivision 2; 342.22, subdivision 3; 342.28, subdivision 8; 342.29, subdivision 7; 342.30, subdivision 1; 342.32, subdivision 1; 342.40, subdivision 7; 342.43, subdivision 2; 342.44, subdivision 1; 342.46, subdivision 8; 342.51, subdivision 2; 342.61, subdivision 4; 342.62, subdivision 2; 342.63, subdivisions 2, 3, 5, 6; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2024, sections 151.72, subdivisions 1, 2, 4, 5, 5b, 5c, 6, 7; 342.51, subdivision 1; Minnesota Statutes 2025 Supplement, section 151.72, subdivisions 3, 5a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 342.01, subdivision 14, is amended to read:

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

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service; and

(11) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

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

Sec. 2. Minnesota Statutes 2024, section 342.01, subdivision 20, is amended to read:

Subd. 20. **Cannabis product.** (a) "Cannabis product" means any of the following:

(1) cannabis concentrate;

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

(3) a ratio hemp-infused cannabis product; or

~~(3)~~ (4) any other product that contains cannabis concentrate.

(b) Cannabis product includes adult-use cannabis products, including but not limited to edible cannabis products and medical cannabinoid products. Cannabis product does not include cannabis flower, artificially derived cannabinoid, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

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

Sec. 3. Minnesota Statutes 2025 Supplement, section 342.01, subdivision 48, is amended to read:

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

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service;

(11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible wholesaler;

(13) lower-potency hemp edible retailer; or

(14) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

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

Sec. 4. Minnesota Statutes 2025 Supplement, section 342.01, subdivision 50, is amended to read:

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

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

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

(3) is not a drug;

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

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

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

(b) A lower-potency hemp edible includes:

(1) a product that:

(i) is not intended to be consumed as a beverage and consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol; is intended to be consumed as a beverage and contains no more than ten milligrams of delta-9 tetrahydrocannabinol in a single container; is intended to be consumed in any approved manner and consists of servings or a container that contain ~~no more than~~ up to 100 milligrams of cannabidiol, up to 100 milligrams of cannabigerol, up to 100 milligrams of cannabinol, or up to 100 milligrams of cannabichromene, or any combination of cannabidiol, cannabigerol, cannabinol, and cannabichromene as long as the combination or

the individual amounts of each cannabinoid does not exceed 400 milligrams; is intended to be consumed in any approved manner and contains no more than the established limit of any other cannabinoid authorized by the office; or is intended to be consumed in any approved manner and contains any combination of those cannabinoids that does not exceed the identified amounts for the applicable product category;

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

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

(2) a product that:

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

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

Sec. 5. Minnesota Statutes 2024, section 342.01, subdivision 52, is amended to read:

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

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

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

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

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

~~(2) pill;~~

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

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

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

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

~~(7) topical formulation; or~~

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

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

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

Sec. 6. Minnesota Statutes 2024, section 342.01, subdivision 54, is amended to read:

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

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

Sec. 7. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

Subd. 63a. **Ratio hemp-infused cannabis product.** (a) "Ratio hemp-infused cannabis product" means a product that:

(1) contains cannabis extracts in combination with cannabinoids derived from hemp as defined by United States Code, title 7, section 1639o(1), that are not artificially derived cannabinoids and have been approved by the office as nonintoxicating, in the same or different concentrations than naturally occur in the plant; and

(2) is a product category approved by the office.

(b) Ratio hemp-infused cannabis products must not include more than 100 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene per serving.

(c) If a ratio hemp-infused cannabis product is meant to be eaten, the product must not include more than ten milligrams of THC per serving and 200 milligrams of THC per package.

(d) If a ratio hemp-infused cannabis product is meant to be consumed as a beverage, the product must not include more than ten milligrams of THC per serving, and a single beverage container may not contain more than two servings.

(e) If a ratio hemp-infused cannabis product is meant to be used as a transdermal or topical product, the product must not include more than the limit approved by the office in rule.

(f) If a ratio hemp-infused cannabis product is designed for a vaporized delivery method, the product must not exceed the limit approved by the office in rule.

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

Sec. 8. Minnesota Statutes 2024, section 342.02, subdivision 2, is amended to read:

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

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

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

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

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

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

(6) to issue and renew licenses;

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

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

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

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

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

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

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

(14) to provide reports as required by law;

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

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

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

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

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 2025 Supplement, section 342.04, is amended to read:

342.04 STUDIES; REPORTS.

Subdivision 1. **Studies required.** (a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

~~(e) The office shall collect existing data from the Department of Human Services, Department of Health, Direct Care and Treatment, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information collected by the office under this paragraph shall be included in the report required under paragraph (f).~~

Subd. 2. **Annual market analysis.** ~~(f)~~ (a) The office shall conduct an annual market analysis on the status of the regulated cannabis industry ~~and submit a report of the findings~~. An annual market analysis under this subdivision must include:

(1) the number of licenses issued by the office;

(2) recommendations on the number of licenses that the office should make available;

(3) information about the stability of the regulated market, including an assessment of the available supply and whether the supply is sufficient for consumer demand in the state;

(4) the impact of unregulated sales of cannabis flower and cannabis products on the regulated market; and

(5) the status of the medical cannabis patient registry program.

(b) The office may solicit the input of consumers, market stakeholders, and potential new applicants for the annual market analysis under paragraph (a). The office shall submit the ~~report by January 15, 2025, and each January 15 thereafter and the report may be combined with the annual report submitted by the office. The process of completing the market analysis must include holding public meetings to solicit the input of consumers, market stakeholders, and potential new applicants and must include an assessment as to whether the office has issued the necessary number of licenses in order to:~~ annual market analysis under paragraph (a) as part of the annual report required in subdivision 3.

~~(1) ensure the sufficient supply of cannabis flower and cannabis products to meet demand;~~

~~(2) provide market stability;~~

~~(3) ensure a competitive market; and~~

~~(4) limit the sale of unregulated cannabis flower and cannabis products.~~

Subd. 3. **Annual report required.** ~~(g)~~ (a) The office shall submit an annual report to the legislature by January 15~~, 2024, and~~ each ~~January 15 thereafter~~ year. The annual report ~~shall~~ must include but not be limited to the following:

(1) the status of the regulated cannabis industry;

(2) the status of the illicit cannabis market ~~and~~;

(3) the status of the hemp ~~consumer industry~~ commercial and consumer industries;

~~(3) the number of accidents, arrests, and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or tetrahydrocannabinol;~~

(4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;

(5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;

(6) the status of racial and geographic diversity in the cannabis industry;

(7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes; and

~~(8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by the combustion or vaporization of the product and the inhalation of smoke, aerosol, or vapor from the product; and~~

~~(9)~~ (8) recommendations for the levels of funding for:

~~(i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;~~

~~(ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;~~

~~(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;~~

~~(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other intoxicating or controlled substances;~~

~~(v)~~ (i) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs; and

~~(vi)~~ (ii) grants to organizations for community development in social equity communities through the CanRenew program~~;~~.

~~(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;~~

~~(viii) training of peace officers to increase the number of drug recognition experts;~~

~~(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;~~

~~(x) the retirement and replacement of drug detection canines; and~~

~~(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.~~

~~(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies.~~

(b) The annual report under this subdivision must include:

(1) an assessment of available data and updated information regarding the impact of cannabis use on impaired driving;

(2) an assessment of available data and updated information regarding the impact of the adverse effects of secondhand smoke from cannabis flower and cannabis products;

(3) updated information from the Department of Human Services, Department of Health, Direct Care and Treatment, Minnesota state courts, and hospitals licensed under chapter 144 regarding the utilization of mental health and substance use disorder services, emergency room visits, and civil commitments; and

(4) updated information about existing summary data on first episode psychosis programs.

Subd. 4. **Collaboration with other agencies and organizations.** The office must collaborate with state agencies and leading organizations with expertise on cannabis-related programs to support education, prevention, public safety initiatives, and industry and market evaluations, including:

(1) the Department of Employment and Economic Development;

(2) the Department of Health;

(3) the Department of Public Safety;

(4) the Department of Education;

(5) the Department of Human Services;

(6) the Department of Children, Youth, and Families;

(7) Direct Care and Treatment;

(8) the Department of Agriculture;

(9) local government organizations;

(10) law enforcement agencies; and

(11) county social service agencies.

Sec. 10. Minnesota Statutes 2024, section 342.07, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

(e) An edible cannabinoid product handler endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis manufacturers;

(4) cannabis macrobusinesses; and

(5) lower-potency hemp edible manufacturers.

(f) A lower-potency hemp edible manufacturer with an edible cannabinoid product handler endorsement may only manufacture lower-potency hemp edibles and must not add any cannabis flower, cannabis concentrate, or cannabinoid derived from cannabis flower or cannabis concentrate to a product consistent with the requirements in section 342.45.

Sec. 11. Minnesota Statutes 2024, section 342.09, subdivision 3, is amended to read:

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate without a cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, cannabis manufacturer, ~~medical cannabis combination business,~~ or lower-potency hemp edible manufacturer license issued under this chapter.

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

Sec. 12. Minnesota Statutes 2025 Supplement, section 342.10, is amended to read:

342.10 LICENSES; TYPES.

The office shall issue the following types of license:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service;

(11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible wholesaler;

(13) lower-potency hemp edible retailer; and

(14) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

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

Sec. 13. Minnesota Statutes 2025 Supplement, section 342.11, is amended to read:

342.11 LICENSES; FEES.

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of $500;

(ii) an initial license fee of $0; and

(iii) a renewal license fee of $2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(3) for a cannabis cultivator:

(i) an application fee of $10,000;

(ii) an initial license fee of $20,000; and

(iii) a renewal license fee of $30,000;

(4) for a cannabis manufacturer:

(i) an application fee of $10,000;

(ii) an initial license fee of $10,000; and

(iii) a renewal license fee of $20,000;

(5) for a cannabis retailer:

(i) an application fee of $2,500;

(ii) an initial license fee of $2,500; and

(iii) a renewal license fee of $5,000;

(6) for a cannabis wholesaler:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(7) for a cannabis transporter:

(i) an application fee of $250;

(ii) an initial license fee of $500; and

(iii) a renewal license fee of $1,000;

(8) for a cannabis testing facility:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(9) for a cannabis delivery service:

(i) an application fee of $250;

(ii) an initial license fee of $500; and

(iii) a renewal license fee of $1,000;

(10) for a cannabis event organizer:

(i) an application fee of $750; ~~and~~

(ii) an initial license fee of ~~$750~~ $0;

(iii) a renewal license fee of $750; and

(iv) a temporary cannabis event application fee of $750;

(11) for a lower-potency hemp edible manufacturer:

(i) an application fee of $250;

(ii) an initial license fee of $1,000; and

(iii) a renewal license fee of $1,000;

(12) for a lower-potency hemp edible wholesaler:

(i) an application fee of $250;

(ii) an initial license fee of $10,000; and

(iii) a renewal license fee of $10,000;

(13) for a lower-potency hemp edible retailer:

(i) an application fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location;

(ii) an initial license fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location; and

(iii) a renewal license fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location; and

(14) for a ~~medical~~ cannabis ~~combination business~~ macrobusiness:

(i) an application fee of $10,000;

(ii) an initial license fee of $20,000; and

(iii) a renewal license fee of $70,000.

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

Sec. 14. Minnesota Statutes 2025 Supplement, section 342.12, is amended to read:

342.12 LICENSES; TRANSFERS; ADJUSTMENTS.

Subdivision 1. **Transfer of licenses.** (a) Licenses issued under this chapter that are available to all applicants pursuant to section 342.14, subdivision 1b, paragraph (c), may be freely transferred subject to the prior written approval of the office unless the license holder has not received a final site inspection or the license holder is a social equity applicant.

(b) Licenses issued as social equity licenses pursuant to either section 342.14, subdivision 1b, paragraph (b), or section 342.175, paragraph (b), may only be transferred to another social equity applicant for three years after the date on which the office issues the license. Three years after the date of issuance, a license holder may transfer a license to any entity. Transfer of a license that was issued as a social equity license must be reviewed by the Division of Social Equity and is subject to the prior written approval of the office.

(c) Preliminary license approval issued pursuant to section 342.14, subdivision 5, may not be transferred.

(d) A new license must be obtained when~~:~~

~~(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or~~

~~(2)~~ the ~~licensee~~ license holder dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

(e) Licenses must be renewed annually.

~~(f) License holders may petition the office to adjust the tier of a license issued within a license category if the license holder meets all applicable requirements.~~

~~(g)~~ (f) The office by rule may permit the relocation of a licensed cannabis business; permit the relocation of an approved operational location, including a cultivation, manufacturing, processing, or retail location; adopt requirements for the submission of a license relocation application; establish standards for the approval of a relocation application; and charge a fee not to exceed $250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

Subd. 2. **License reclassification availability.** (a) Subject to section 342.14, subdivision 1a, the office may determine whether licenses are available for a license holder that is a cannabis microbusiness to petition to reclassify the license holder as a cannabis mezzobusiness. The number of reclassified licenses approved for social equity qualified petitioners must be equal to or greater than the number of reclassified licenses approved for all applicants.

(b) Subject to section 342.14, subdivision 1a, and limitations in section 342.515, subdivision 9, paragraph (b), the office may determine whether licenses are available for a license holder that is a cannabis mezzobusiness to petition to reclassify the license holder as a cannabis macrobusiness. The number of reclassified licenses approved for social equity qualified petitioners must be equal to or greater than the number of reclassified licenses approved for all applicants.

(c) If the office determines that licenses are available pursuant to paragraph (a) or (b), the office must announce the date when the office will begin accepting petitions from applicants seeking reclassification.

Subd. 3. **Reclassification eligibility.** (a) A cannabis microbusiness license holder is eligible to petition to reclassify the license holder as a cannabis mezzobusiness if:

(1) the cannabis microbusiness has held and operated a medical cannabis cultivation endorsement for a minimum of two years; and

(2) the cannabis microbusiness is in good standing with the office.

(b) A cannabis mezzobusiness is eligible to petition to reclassify the license holder as a cannabis macrobusiness if:

(1) the cannabis mezzobusiness has held and operated a medical cannabis cultivation endorsement for a minimum of two years;

(2) the cannabis mezzobusiness has held and operated either a medical cannabis manufacturing endorsement or a medical cannabis retail endorsement;

(3) the cannabis mezzobusiness is in good standing with the office; and

(4) the cannabis mezzobusiness has not reclassified its license in the previous 12 months before the petition.

Subd. 4. **Reclassification petition process.** (a) The office must establish procedures for the processing of petitions to reclassify under this subdivision. A license holder that seeks to reclassify its license as a cannabis mezzobusiness or cannabis macrobusiness must include in its petition the following information, if applicable:

(1) its status as a social equity license holder;

(2) the number of medical endorsements held and a description of the manner in which medical patients are provided services;

(3) financial statements exhibiting the ability to operate a larger license;

(4) a transition plan that describes how the license holder will comply with all statutes and rules applicable to the reclassified license; and

(5) a description of the planned growth of the license holder up to the limits of the new license type.

(b) After a license holder submits a petition to reclassify that contains all required information, the office must review the petition. The office may deny a petition if:

(1) the petition is incomplete;

(2) the license holder does not meet the qualifications under this section;

(3) the petition contains a materially false statement about the applicant;

(4) the license holder does not meet the qualifications under section 342.16;

(5) the license holder is prohibited from holding a license under section 342.18, subdivision 2;

(6) the license holder does not meet the minimum requirements under section 342.18, subdivision 3;

(7) the petition was not submitted by the petition deadline;

(8) the license holder has unpaid fines or fees or has engaged in substantial noncompliance with this chapter; or

(9) the office determines that the license holder would be prohibited from holding a license for any other reason.

(c) The office may request additional information from any license holder if the office determines that the information is necessary to review or process the petition. If the license holder does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the petition.

(d) If the office denies a petition, the office must notify the license holder of the denial and the basis for the denial.

(e) A license holder whose petition is not denied under this subdivision is a qualified petitioner.

Subd. 5. **Reclassification approval process for petitioners to a cannabis mezzobusiness license.** (a) The office shall reclassify the license of all qualified petitioners holding a social equity cannabis microbusiness license to a cannabis mezzobusiness license.

(b) In the event the number of qualified petitioners not classified as social equity cannabis microbusiness license holders for a reclassification to a cannabis mezzobusiness license exceeds the number of qualified petitioners classified as social equity license holders, the office shall select qualified petitioners using the methods in section 342.14, subdivision 4.

(c) Reclassification according to this subdivision must not remove the social equity license status from a social equity license.

(d) A license holder that submits a petition to reclassify its license may continue operations pending office determination on the petition. A license holder that submits a petition to reclassify its license that is denied retains its existing license.

Subd. 6. **Reclassification approval process for petitioners to a cannabis macrobusiness license.** (a) In the event the number of qualified petitioners for a reclassification to a cannabis macrobusiness license exceeds the number of available licenses for a cannabis macrobusiness determined by the office pursuant to subdivision 2, the office shall select qualified petitioners using the methods in section 342.14, subdivision 4.

(b) Reclassification according to this subdivision must not remove the social equity license status from a social equity license.

(c) A license holder that submits a petition to reclassify its license may continue operations pending office determination on the petition. A license holder that submits a petition to reclassify its license that is denied retains its existing license.

EFFECTIVE DATE. Subdivision 1 is effective August 1, 2026. Subdivisions 2 to 6 are effective January 1, 2027.

Sec. 15. Minnesota Statutes 2025 Supplement, section 342.13, is amended to read:

342.13 LOCAL CONTROL.

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp business licensed under this chapter.

(c) By ordinance, a local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

~~(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.~~

~~(f)~~ (e) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the State Fire Code and the State Building Code. The office ~~may~~ must not issue a license to an applicant if the local unit of government informs the office that the proposed cannabis business does not ~~meet~~ comply with local zoning ~~and~~ ordinances, land use laws, the State Fire Code, or the State Building Code and submits evidence of the proposed cannabis business's lack of compliance. If the local unit of government does not provide the certification under this paragraph to the office within 30 days of receiving a copy of an application from the office, the office may waive the requirement for local government certification and may issue a license to the applicant. Regardless of whether the office has waived local government certification, the proposed cannabis business's location must meet the requirements of this chapter.

~~(g)~~ (f) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or lower-potency hemp edible retailer with a retail operations endorsement~~, or medical cannabis combination business operating a retail location~~ poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

~~(h)~~ (g) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis macrobusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents. After each increment of 12,500 residents, the number of required registrations must be rounded up to the next whole number of registrations.

~~(i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.~~

(h) A county that has consent from a city or town to issue retail registrations for the jurisdiction according to section 342.22, subdivision 1, may develop a process, in consultation with the consenting city or town, for issuing retail registrations throughout the county that meets the required minimum in paragraph (g) and limits the number of registrations allowed in each city or town that has delegated authority to the county.

~~(j)~~ (i) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph ~~(h)~~ (g).

~~(k)~~ (j) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Sec. 16. Minnesota Statutes 2024, section 342.14, subdivision 1b, is amended to read:

Subd. 1b. **Maximum number of licenses.** (a) Before July 1, ~~2026~~ 2027, the office may issue up to the maximum total number of licenses in each license category listed in paragraphs (b) and (c).

(b) For licenses that are available to social equity applicants, the maximum number of licenses that the office may issue are:

(1) cannabis cultivator licenses, 25;

(2) cannabis manufacturer licenses, 12;

(3) cannabis retailer licenses, 75; and

(4) cannabis mezzobusiness licenses, 50.

(c) For licenses that are available to all applicants, the maximum number of licenses that the office may issue are:

(1) cannabis cultivator licenses, 25;

(2) cannabis manufacturer licenses, 12;

(3) cannabis retailer licenses, 75; and

(4) cannabis mezzobusiness licenses, 50.

(d) Beginning July 1, ~~2026~~ 2027, the office must determine the number of cannabis cultivator licenses, cannabis manufacturer licenses, cannabis retailer licenses, and cannabis mezzobusiness licenses that the office will issue consistent with the goals identified in subdivision 1a. If the office makes any of those types of licenses available, the number of licenses available to social equity applicants must be equal to or greater than the number of licenses available to all applicants.

(e) The office may issue as many licenses as the office deems necessary of a license type that is not listed in this subdivision. If the office limits the number of license types not listed in this subdivision available in any licensing period, the office must identify the number of licenses available to social equity applicants and the number of licenses available to all applicants. The number of licenses available to social equity applicants must be equal to or greater than the number of licenses available to all applicants. The office is not required to issue a license for a license type that is not listed in this subdivision.

(f) The office is not required to issue licenses to meet the maximum number of licenses that may be issued under paragraphs (b) and (c).

Sec. 17. Minnesota Statutes 2025 Supplement, section 342.14, subdivision 3, is amended to read:

Subd. 3. **Review.** (a) After an applicant submits an application that contains all required information and pays the applicable application fee, the office must review the application.

(b) The office may deny an application if:

(1) the application is incomplete;

(2) the application contains a materially false statement about the applicant or omits information required under subdivision 1;

(3) the applicant does not meet the qualifications under section 342.16;

(4) the applicant is prohibited from holding the license under section 342.18, subdivision 2;

(5) the application does not meet the minimum requirements under section 342.18, subdivision 3;

(6) the applicant fails to pay the applicable application fee;

(7) the application was not submitted by the application deadline;

(8) the applicant submitted more than one application for a license type; or

(9) the office determines that the applicant would be prohibited from holding a license for any other reason.

(c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.

(d) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

(e) An applicant whose application is not denied under this subdivision is a qualified applicant.

(f) An applicant's status as a qualified applicant under this section expires after six months. For an applicant who achieved qualified applicant status before June 1, 2026, qualified applicant status expires on January 1, 2027. The office must deny an application submitted by an applicant whose qualified applicant status has expired. An applicant whose qualified applicant status expired may apply anew according to this section.

(g) If the office determines that an applicant is not eligible for a license under this section, the office may revoke the applicant's qualified applicant status.

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

Sec. 18. Minnesota Statutes 2025 Supplement, section 342.14, subdivision 6, is amended to read:

Subd. 6. **Completed application; final authorization; issuance of license.** (a) Within 18 months of receiving notice of preliminary license approval, an applicant must provide:

(1) the address and legal property description of the location where the business will operate;

(2) the name of the local unit of government where the business will be located; and

(3) if applicable, an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office.

(b) Upon receipt of the information required under paragraph (a) from an applicant that has received preliminary license approval, the office must:

(1) forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code;

(2) schedule a site inspection; and

(3) require the applicant to pay the applicable license fee.

(c) The office may deny final authorization if:

(1) an applicant fails to submit any required information;

(2) the applicant submits a materially false statement about the applicant or fails to provide any required information;

(3) the office confirms that the cannabis business for which the office granted a preliminary license approval does not meet local zoning and land use laws;

(4) the applicant fails to pay the applicable license fee; ~~or~~

(5) the office determines that the applicant is disqualified from holding the license or would operate in violation of the provisions of this chapter~~.~~; or

(6) the applicant fails to demonstrate that the proposed cannabis business's location complies with local zoning ordinances, the State Fire Code, or the State Building Code.

(d) Within 90 days of receiving the information required under paragraph (a) and the results of any required background check, the office shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Sec. 19. Minnesota Statutes 2024, section 342.14, subdivision 10, is amended to read:

Subd. 10. **Revocation or expiration of preliminary approval.** (a) A preliminary license approval expires after 18 months unless the office revokes the preliminary license approval or grants an extension. The office ~~may~~ must grant ~~a onetime~~ an initial extension of up to six months upon request by the applicant. The office may grant an additional extension of up to six months if an applicant has made good faith efforts to convert a preliminary license approval into a license. The office must not issue a license to an applicant whose preliminary license approval has expired.

(b) If the office determines that an applicant is not eligible for a license, the office may revoke a preliminary license approval.

(c) The office must notify an applicant if the office revokes the applicant's preliminary license approval or if the applicant's preliminary license approval expires.

Sec. 20. Minnesota Statutes 2024, section 342.15, subdivision 2, is amended to read:

Subd. 2. **Criminal offenses; disqualifications.** ~~(a)~~ The office may by rule determine whether any felony convictions, including but not limited to convictions for noncannabis controlled substance crimes in the first or second degree, human trafficking, labor trafficking, fraud, or financial crimes, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or working for a cannabis business, and the length of any such disqualification. In adopting rules pursuant to this subdivision, the office shall not disqualify an individual for a violation of section 152.025.

~~(b) The office must not issue a cannabis business license to any person or business who was convicted of illegally selling cannabis after August 1, 2023, unless five years have passed since the date of conviction.~~

~~(c) The office must not issue a cannabis business license to any person or business who violated this chapter after August 1, 2023, unless five years have passed since the date of violation. The office may set aside the violation if the office finds that the violation occurred as a result of a mistake made in good faith and the violation did not involve gross negligence, an illegal sale of cannabis, or cause harm to the public. The office must not issue a license to any person or business who the office has assessed a fine to under section 342.09, subdivision 6.~~

Sec. 21. Minnesota Statutes 2024, section 342.15, subdivision 5, is amended to read:

Subd. 5. **Civil and regulatory offenses; disqualifications.** (a) The office may determine whether any civil or regulatory violations, as determined by another state agency, local unit of government, or any other jurisdiction, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or disqualify an individual from working for a cannabis business, and the length of the disqualification. Upon the office's request, a state agency, as defined in section 13.02, subdivision 17, except for the Department of Revenue, may release civil investigative data, including data classified as protected nonpublic or confidential under section 13.39, subdivision 2, if the request is related to a specific applicant and the data is necessary to make a determination under this section.

(b) The office must not issue a cannabis business license to any person or business who violated this chapter after August 1, 2023, unless five years have passed since the date of the violation. The office must set aside the violation if the office finds that the violation:

(1) occurred as a result of a mistake made in good faith;

(2) did not involve gross negligence;

(3) did not involve an illegal sale of cannabis; and

(4) did not cause harm to the public.

(c) The office must not issue a cannabis business license to any person or business who was assessed a fine by the office under section 342.09, subdivision 6.

Sec. 22. Minnesota Statutes 2025 Supplement, section 342.16, is amended to read:

342.16 CANNABIS BUSINESSES; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.

(a) A license holder or an applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis license issued under this chapter:

(1) be at least 21 years of age;

(2) have completed an application for licensure or application for renewal;

(3) have paid the applicable application fee and license fee;

(4) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;

(5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;

(6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);

(7) never have had a license previously issued under this chapter revoked, and never have had a cannabis license, a registration, an agreement, or another authorization to operate a cannabis business issued under the laws of another state revoked;

(8) have filed any previously required tax returns for a cannabis business;

(9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;

(10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;

(11) not be disqualified under section 342.15;

(12) not employ an individual who is disqualified from working for a cannabis business under this chapter;

(13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held; and

(14) not have had any confirmed willful labor violation with the Minnesota Department of Labor~~, National Labor Relations Board,~~ and Industry or the Occupational Safety and Health Administration within the last five years, as determined by the office.

(b) A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis business;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis business; or

(3) advertising with a cannabis business in any way.

(c) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

(d) The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

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

Sec. 23. Minnesota Statutes 2024, section 342.175, is amended to read:

342.175 SOCIAL EQUITY LICENSE CLASSIFICATION.

(a) The office must classify licenses listed in section 342.10, clauses (1) to (10) and ~~(13)~~ (14) as:

(1) available to social equity applicants who meet the requirements of section 342.17; and

(2) available to all applicants.

(b) The office must classify any license issued to a social equity applicant as a social equity license.

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

Sec. 24. Minnesota Statutes 2025 Supplement, section 342.18, subdivision 2, is amended to read:

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses, mezzobusiness licenses, or ~~medical~~ cannabis ~~combination business~~ macrobusiness licenses, or the issuance of lower-potency hemp edible manufacturer, lower-potency hemp edible wholesaler, and lower-potency hemp edible retailer licenses, to the same person or entity.

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

Sec. 25. Minnesota Statutes 2024, section 342.185, subdivision 1, is amended to read:

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

(b) "Control" means the power to independently order or direct the management, managers, or policies of a cannabis business.

(c) "Financial institution" means any bank, mutual savings bank, consumer loan company, credit union, savings and loan association, trust company, or other lending institution under the jurisdiction of the Minnesota Department of Commerce, the United States Department of Commerce, or both.

(d) "Financier" means any person that:

(1) is not a financial institution or government entity;

(2) provides money as a gift, grant, or loan to an applicant for a cannabis business license, a cannabis business, or both; and

(3) expects to be repaid for the money provided, with or without reasonable interest.

(e) "Gross profit" means sales minus the cost of goods sold.

(f) "Revenue" means the income generated from the sale of goods and services associated with the main operations of a business before any costs or expenses have been deducted.

(g) (1) "True party of interest" means an individual who as an individual or as part of another business:

~~(1)~~ (i) is a sole proprietor of a sole proprietorship;

~~(2)~~ (ii) is a partner in a general partnership;

~~(3)~~ (iii) is a general partner or limited partner in a limited partnership, a limited liability partnership, or a limited liability limited partnership;

~~(4)~~ (iv) is a member of a limited liability company or a manager in a limited liability company;

~~(5)~~ (v) is a corporate officer or director or holds an equivalent title in a privately held corporation;

~~(6)~~ (vi) is a stockholder in a privately held corporation;

~~(7)~~ (vii) is part of a multilevel ownership structure;

~~(8)~~ (viii) has membership rights to a nonprofit corporation in accordance with the provisions of the articles of incorporation or bylaws for the nonprofit corporation;

~~(9)~~ (ix) has the right to receive some or all of the revenue, gross profit, or net profit from a cannabis business during any full or partial calendar or fiscal year; or

~~(10)~~ (x) has the right to exercise control over a cannabis business.

(2) True party of interest does not include:

~~(1)~~ (i) an individual receiving payment for rent on a fixed basis under a lease or rental agreement;

~~(2)~~ (ii) an employee of a cannabis business who receives a salary or hourly rate compensation if the employee does not otherwise hold an ownership interest in the cannabis business or have the right to exercise control over the cannabis business;

~~(3)~~ (iii) an individual who receives a bonus or commission based on the individual's sales, if the bonus or commission does not exceed ten percent of the individual's sales in any given bonus or commission period and the terms of the bonus or commission-based compensation agreement is in writing;

~~(4)~~ (iv) an individual with an ownership interest held or acquired solely for the purpose of passive investment as described in Code of Federal Regulations, title 31, section 800.243;

~~(5)~~ (v) an individual contracting with a cannabis business to receive a commission for the sale of a business or real property;

~~(6)~~ (vi) a consultant receiving a flat or hourly rate compensation under a written contractual agreement;

~~(7)~~ (vii) any person with a contract or an agreement for services with a cannabis business, such as a branding or staffing company, as long as that person does not obtain any ownership or control of the cannabis business; or

~~(8)~~ (viii) a financial institution.

Sec. 26. Minnesota Statutes 2024, section 342.185, subdivision 2, is amended to read:

Subd. 2. **Application number limitations.** An individual may not be a true party of interest for more than one application for (1) any single type of license, or (2) multiple types of licenses if the individual would be prohibited from holding the licenses under section 342.18, subdivision 2. The limitation does not apply to:

(i) an individual who holds no more than ten percent ownership of the business entity;

(ii) a person who contracts with a city or county to operate no more than ten municipal cannabis stores under section 342.32, subdivision 5; or

(iii) an individual who holds up to 33 percent controlling ownership of up to four business entities that are social equity applicants.

Sec. 27. Minnesota Statutes 2024, section 342.185, subdivision 3, is amended to read:

Subd. 3. **License number limitations.** An individual may not be a true party of interest for more than one license unless explicitly allowed by this chapter. The limitation does not apply to:

(1) an individual who holds ten percent or less controlling ownership of the business entity;

(2) a person who contracts with a city or county to operate no more than ten municipal cannabis stores under section 342.32, subdivision 5; or

(3) an individual who holds up to 33 percent controlling ownership of up to four business entities that hold a social equity license.

Sec. 28. Minnesota Statutes 2024, section 342.19, subdivision 6, is amended to read:

Subd. 6. **Inspection of unlicensed businesses and facilities.** (a) The office may inspect any commercial premises that is not licensed under this chapter where cultivation, manufacturing, processing, or sale of cannabis plants, cannabis flower, cannabis concentrate, artificially derived cannabinoids, hemp-derived consumer products, ~~or~~ edible cannabinoid products, or lower-potency hemp edibles is taking place.

(b) A representative of the office performing an inspection under this subdivision must present appropriate credentials to the owner, operator, or agent in charge and clearly state the purpose of the inspection.

(c) After providing the notice required under paragraph (b), a representative of the office may enter the commercial premises and perform any of the following to determine if any person is engaging in activities that are regulated by this chapter and not authorized without the possession of a license and to determine the appropriate penalty under section 342.09, subdivision 6:

(1) inspect and investigate the commercial premises;

(2) inspect and copy records; and

(3) question privately any employer, owner, operator, agent, or employee of the commercial operation.

(d) Entry of a commercial premises must take place during regular working hours or at other reasonable times.

(e) If the office finds any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product on the inspected commercial premises, the office may ~~either~~:

(1) immediately seize the item ~~or~~;

(2) affix to the item a tag, withdrawal from distribution order, or other appropriate marking providing notice that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or is suspected of being, possessed or distributed in violation of this chapter, and has been detained or embargoed, and warning all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court~~.~~; or

(3) assess a civil penalty to the business pursuant to section 342.09, subdivision 6, and may treat the possession of the seized, embargoed, or detained product as having been sold.

(f) It is unlawful for a person to remove or dispose of a detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product by sale or otherwise without the office's or a court's permission and each transaction may be treated as a sale for the purposes of imposing a penalty pursuant to section 342.09, subdivision 6.

~~(f)~~ (g) If the office has seized, detained, or embargoed any item pursuant to paragraph (e), the office must:

(1) petition the district court in the county in which the item was found for an order authorizing destruction of the product; and

(2) notify the county attorney in the county where the item was found of the office's actions.

~~(g)~~ (h) If the court finds that the seized, detained, or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product was possessed or distributed in violation of this chapter or rules adopted under this chapter, the office may destroy the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product at the expense of the person who possessed or distributed the item in violation of this chapter and all court costs, fees, storage, and other proper expenses must be assessed against the person or the person's agent.

~~(h)~~ (i) The provisions of subdivision 2, paragraph (f), apply to any analysis or examination performed under this subdivision.

~~(i)~~ (j) The authorization under paragraph (e) does not apply to any cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product lawfully purchased for personal use.

Sec. 29. Minnesota Statutes 2024, section 342.20, subdivision 1, is amended to read:

Subdivision 1. **Not public data.** The following data collected, created, or maintained by the office are classified as nonpublic data, as defined by section 13.02, subdivision 9, or as private data on individuals, as defined by section 13.02, subdivision 12:

(1) application data submitted by an applicant for a cannabis business license or hemp business license, other than the data listed in subdivision 2;

(2) the identity of a complainant who has made a report concerning a license holder or an applicant that appears in inactive investigative data unless the complainant consents to the disclosure;

(3) data identifying retail or wholesale customers of a cannabis business or hemp business; ~~and~~

(4) data identifying cannabis workers or hemp workers~~.~~; and

(5) data reported to the office using the statewide monitoring system established under section 342.05.

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

Sec. 30. Minnesota Statutes 2024, section 342.20, subdivision 2, is amended to read:

Subd. 2. **Public data on license applicants.** (a) The following application data submitted by an applicant for a cannabis business license or hemp business license are public data:

(1) the applicant's name and designated address;

(2) data disclosing the ownership and control of the applicant;

(3) proof of trade name registration;

(4) data showing the legal possession of the premises where the business will operate;

(5) data describing ~~whether~~ the volatile chemicals that will be used in any methods of extraction or concentration, if applicable;

(6) environmental plans;

(7) the type and number of other cannabis business licenses or hemp business licenses held by the applicant; and

(8) the name, address, location, dates, and hours of where any proposed cannabis event will take place.

~~(b) Scoring and other data generated by the office in its review of an applicant for a cannabis business license or hemp business license are public data.~~

(b) The status of the applicant's application, except for an applicant's status as a social equity applicant, is public data.

Sec. 31. Minnesota Statutes 2024, section 342.20, subdivision 3, is amended to read:

Subd. 3. **Public application data on license holders.** Once an applicant for a cannabis business license or hemp business license becomes a license holder, all of the application or renewal data that the license holder had previously submitted to the office are public data except that the following data remain classified as nonpublic data or private data on individuals:

(1) data identifying retail or wholesale customers of a cannabis business or hemp business;

(2) data identifying cannabis workers or hemp workers;

(3) tax returns, bank account statements, and other financial account information;

(4) business plans~~; and~~, including descriptions of sites, security, and operations of the license holder;

(5) data regarding the license holder's accounting compliance;

(6) data contained in vehicle disclosure forms and related documentation required in section 342.35, subdivision 2, clauses (1) and (2); and

~~(5)~~ (7) data classified as nonpublic data or private data on individuals by chapter 13 or other applicable law.

Sec. 32. Minnesota Statutes 2024, section 342.20, is amended by adding a subdivision to read:

Subd. 6. **Test results data.** Notwithstanding section 342.20, subdivision 1, clause (5), test results maintained by any cannabis business or hemp business must be made available for public review consistent with section 342.61, subdivision 5, paragraph (c).

Sec. 33. Minnesota Statutes 2024, section 342.22, subdivision 1, is amended to read:

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

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

Sec. 34. Minnesota Statutes 2025 Supplement, section 342.22, subdivision 3, is amended to read:

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness operating a retail location, or lower-potency hemp edible retailer that:

(1) has a valid license or preliminary license approval issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with any applicable local ordinance established pursuant to section 342.13.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

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

Sec. 35. Minnesota Statutes 2024, section 342.22, subdivision 4, is amended to read:

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. During a compliance check, a local unit of government shall assess a business's compliance with age verification requirements and compliance with any applicable local ordinance established pursuant to section 342.13.

(b) A local unit of government must conduct unannounced age verification compliance checks of every cannabis business and hemp business at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

(c) A local government with retail registration authority that performs compliance checks must annually submit data regarding compliance checks to the office. The data must include:

(1) the name of the cannabis business and the business's address, license number, and type of business under chapter 342;

(2) the results of the compliance check, including whether the business was compliant with any applicable local ordinances;

(3) the date and time of the compliance check;

(4) a description of any specific violation of a local ordinance, including any failure to request documentation for age verification, an age verification method that violates this chapter, or any other violation of a local ordinance; and

(5) any warnings, fines, suspensions, or other actions taken by the local government in response to the business's violation of a local ordinance.

(d) A local government may provide the office with data from a compliance check before the annual submission date. A local government may provide the office with data from a compliance check by notifying the office of a suspended retail registration according to subdivision 5, paragraph (a).

Sec. 36. Minnesota Statutes 2024, section 342.22, subdivision 5, is amended to read:

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of a local ordinance authorized under section 342.13 or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.19 or 342.21.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

(e) No cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration with a local unit of government and a valid license with any applicable endorsement from the office. A local unit of government may impose a civil penalty of up to $2,000 for each violation of this paragraph.

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

Sec. 37. Minnesota Statutes 2024, section 342.23, subdivision 5, is amended to read:

Subd. 5. **Financial relationship.** (a) ~~Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision,~~ No cannabis business or hemp business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business~~. This prohibition applies to~~ or hemp business, including offering or receiving a benefit in exchange for preferential placement by a retailer~~, including~~ and offering or receiving preferential placement on the retailer's shelves, display cases, or website. ~~This~~ The prohibition in this paragraph applies to every cooperative member or every director, manager, and general partner of a cannabis business or hemp business.

(b) The prohibition in paragraph (a) does not apply to the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision.

~~This~~ (c) The prohibition in paragraph (a) does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

~~(c) This~~ (d) The prohibition in paragraph (a) does not apply to free samples of usable cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product before purchase. A sample jar may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

~~(d) This~~ (e) The prohibition in paragraph (a) does not apply to free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products provided to a retailer or cannabis wholesaler for the purposes of quality control and to allow retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

~~(e) This~~ (f) The prohibition in paragraph (a) does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business or hemp business for participation in a cannabis event.

(g) The prohibition in paragraph (a) does not apply to any transaction entered into in good faith by a cannabis business or hemp business for the sale of goods or services at fair market value.

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

Sec. 38. Minnesota Statutes 2024, section 342.23, is amended by adding a subdivision to read:

Subd. 7. **Cannabis and hemp business occupying the same premises.** (a) A cannabis business or hemp business may occupy the same premises as another cannabis or hemp business provided that:

(1) the businesses have the same majority owners in common; and

(2) the majority owners in common each individually own more than ten percent in each of the businesses.

(b) All sales or transport of regulated products to and from licensed cannabis businesses must be recorded in the statewide monitoring system.

(c) A cannabis business occupying the same premises as another cannabis or hemp business as authorized by this subdivision may transport regulated products between businesses on the shared premises.

(d) Businesses that occupy the same premises are jointly liable for any violations of this chapter or Minnesota Rules, chapter 9810.

Sec. 39. **[342.245] ENDORSEMENTS.**

(a) The office must establish procedures for the processing of cannabis endorsements issued under this chapter.

(b) The office may deny an endorsement application if:

(1) the license holder has previously had an endorsement suspended, revoked, or canceled by the office within the last five years;

(2) the license holder owes outstanding fines to the office for violations; or

(3) the license holder does not meet the requirements to:

(i) conduct activities authorized by the endorsement; or

(ii) conduct activities authorized by the endorsement at the specific location indicated on the application.

(c) The office must not charge a fee to an applicant for an endorsement application.

(d) The office must align the term and renewal period for an endorsement with the term and renewal period of the applicant's license.

Sec. 40. Minnesota Statutes 2024, section 342.25, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A cannabis business ~~with a license or endorsement authorizing the cultivation of cannabis~~ seeking to cultivate cannabis must ~~comply with the requirements of this section~~ apply for and obtain a cannabis cultivation endorsement.

(b) A cannabis cultivation endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis macrobusinesses; and

(4) cannabis cultivators.

Sec. 41. Minnesota Statutes 2024, section 342.25, subdivision 2, is amended to read:

Subd. 2. **Cultivation records.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must prepare a cultivation record for each batch of cannabis plants and cannabis flower in the form required by the office and must maintain each record for at least five years. ~~The~~ A cultivation record must include the quantity and timing, ~~where~~ if applicable, of each pesticide, fertilizer, soil amendment, or plant amendment used to cultivate the batch, as well as any other information required by the office in rule. ~~The~~ A cannabis business must ~~present~~ provide cultivation records to the office, the commissioner of agriculture, or the commissioner of health upon request.

Sec. 42. Minnesota Statutes 2024, section 342.25, subdivision 3, is amended to read:

Subd. 3. **Agricultural chemicals and other inputs.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement is subject to rules promulgated by the office in consultation with the commissioner of agriculture, subject to subdivision 5, governing the use of pesticides, fertilizers, soil amendments, plant amendments, and other inputs to cultivate cannabis.

Sec. 43. Minnesota Statutes 2024, section 342.25, subdivision 4, is amended to read:

Subd. 4. **Cultivation plan.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must prepare, maintain, and execute an operating plan and a cultivation plan as directed by the office in rule, which must include but is not limited to:

(1) water usage;

(2) recycling;

(3) solid waste disposal; and

(4) a pest management protocol that incorporates integrated pest management principles to control or prevent the introduction of pests to the cultivation site.

Sec. 44. Minnesota Statutes 2024, section 342.25, subdivision 5, is amended to read:

Subd. 5. **Agricultural chemicals and other inputs; pollinator protection.** (a) A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must comply with chapters 18B, 18C, 18D, and any other pesticide, fertilizer, soil amendment, and plant amendment laws and rules enforced by the commissioner of agriculture.

(b) A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must not apply pesticides when pollinators are present or allow pesticides to drift to flowering plants that are attractive to pollinators.

Sec. 45. Minnesota Statutes 2024, section 342.25, subdivision 6, is amended to read:

Subd. 6. **Adulteration prohibited.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must not treat or otherwise adulterate cannabis plants or cannabis flower with any substance or compound that has the effect or intent of altering the color, appearance, weight, potency, or odor of the cannabis.

Sec. 46. Minnesota Statutes 2024, section 342.25, subdivision 7, is amended to read:

Subd. 7. **Indoor or outdoor cultivation authorized; security.** A ~~business licensed or authorized to cultivate~~ cannabis cultivator, cannabis microbusiness, cannabis mezzobusiness, or cannabis macrobusiness with a cannabis cultivation endorsement may cultivate cannabis plants either indoors or outdoors, subject to the security, fencing, lighting, and any other requirements imposed by the office in rule.

Sec. 47. Minnesota Statutes 2024, section 342.26, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A cannabis business ~~with a license or endorsement authorizing the creation of cannabis concentrate and manufacture of cannabis products and hemp-derived consumer products for public consumption must comply with the requirements of this section~~ seeking to manufacture cannabis products must apply for and obtain the applicable endorsement according to subdivisions 3 and 4.

(b) An endorsement under subdivisions 3 and 4 is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis macrobusinesses; and

(4) cannabis manufacturers.

Sec. 48. Minnesota Statutes 2024, section 342.26, subdivision 2, is amended to read:

Subd. 2. **All manufacturer operations.** (a) Cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products, except that a business that also holds a cannabis cultivator license may operate in a facility that shares general office space, bathrooms, entryways, and walkways.

(b) Cannabis manufacturing must take place on equipment that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products.

(c) A business ~~licensed or authorized to manufacture cannabis products~~ with an endorsement under subdivision 3 or 4 must comply with all applicable packaging, labeling, and health and safety requirements.

Sec. 49. Minnesota Statutes 2024, section 342.26, subdivision 3, is amended to read:

Subd. 3. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis business ~~licensed or authorized~~ seeking to manufacture ~~cannabis products that creates~~ cannabis concentrate~~, hemp concentrate, or artificially derived cannabinoids~~ must apply for and obtain ~~an~~ a cannabis extraction and concentration endorsement ~~from the office~~.

(b) A cannabis business seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement.

(c) A cannabis business seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement. A cannabis business must hold a hemp extraction and concentration endorsement to apply for and obtain a creation of artificially derived cannabinoids endorsement.

~~(b)~~ (d) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of cannabis concentrate or hemp concentrate. A cannabis ~~manufacturer~~ business with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement may not use a method of extraction and concentration or a volatile chemical without approval by the office.

~~(c)~~ (e) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement may not use a method of conversion or a catalyst without approval by the office.

~~(d)~~ (f) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

~~(e)~~ (g) A business ~~licensed or authorized to manufacture cannabis products that manufactures~~ with a cannabis extraction and concentration endorsement may manufacture cannabis concentrate from cannabis flower received from an unlicensed person who is at least 21 years of age and must comply with all health and safety requirements established by the office. At a minimum, the office shall require the manufacturer to:

(1) store the cannabis flower in an area that is segregated from cannabis flower and hemp plant parts received from a licensed cannabis business;

(2) perform the extraction and concentration on equipment that is used exclusively for extraction or concentration of cannabis flower received from unlicensed individuals;

(3) store any cannabis concentrate in an area that is segregated from cannabis concentrate, hemp concentrate, or artificially derived cannabinoids derived or manufactured from cannabis flower or hemp plant parts received from a licensed cannabis business; and

(4) provide any cannabis concentrate only to the person who provided the cannabis flower.

~~(f)~~ (h) Upon the sale of cannabis concentrate, hemp concentrate, or artificially derived cannabinoids to any person, cooperative, or business, a business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Sec. 50. Minnesota Statutes 2024, section 342.26, subdivision 4, is amended to read:

Subd. 4. **Edible cannabinoid product handler endorsement and production of consumer products endorsement.** (a) A cannabis business ~~licensed or authorized to manufacture cannabis products that produces edible cannabis products or lower-potency hemp edibles~~ seeking to produce edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement from the office.

(b) A cannabis business with an edible cannabinoid product handler endorsement must comply with the requirements in section 342.07, subdivision 3.

~~(b)~~ (c) A cannabis business ~~licensed or authorized to manufacture cannabis products~~ seeking to produce hemp-derived consumer products or cannabis products other than edible cannabis products must apply for and obtain ~~an~~ a production of consumer products endorsement ~~from the office to produce:~~.

~~(1) cannabis products other than edible cannabis products; or~~

~~(2) hemp-derived consumer products other than lower-potency hemp edibles.~~

~~(c)~~ (d) A cannabis business with an endorsement under this subdivision must ensure that all areas within the licensed premises of ~~a~~ the business ~~licensed or authorized to manufacture cannabis products producing cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must~~ meet the sanitary standards specified in rules adopted by the office.

~~(d)~~ (e) A cannabis business ~~licensed or authorized to manufacture cannabis products~~ with an endorsement under this subdivision may only add chemicals or compounds approved by the office to cannabis concentrate, hemp concentrate, or artificially derived cannabinoids.

~~(e)~~ (f) Upon the sale of any cannabis product, lower-potency hemp edible, or hemp-derived consumer product to a cannabis business or hemp business, a cannabis business ~~licensed or authorized to manufacture cannabis products~~ with an endorsement under this subdivision must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

~~(f)~~ (g) A business ~~licensed or authorized to manufacture cannabis products shall~~ with an endorsement under this subdivision must not add any cannabis flower, cannabis concentrate, artificially derived cannabinoid, hemp plant part, or hemp concentrate to a product ~~where~~ if the manufacturer of the product holds a trademark to the product's name, except that a business licensed or authorized to manufacture cannabis products may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and ~~where~~ if the business licensed or authorized to manufacture cannabis products does not state or advertise to the customer that the final retail cannabis product, lower-potency hemp edible, or hemp-derived consumer product contains a trademarked food product.

Sec. 51. Minnesota Statutes 2024, section 342.26, subdivision 5, is amended to read:

Subd. 5. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible manufacturer. A lower-potency hemp edible manufacturer must comply with section 342.45 and applicable rules.

Sec. 52. Minnesota Statutes 2024, section 342.27, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A cannabis business ~~with a license or endorsement authorizing the~~ seeking to conduct retail ~~sale~~ sales of cannabis flower ~~or,~~ cannabis products, hemp-derived consumer products, or lower-potency hemp edible products must ~~comply with the requirements of this section~~ apply for and obtain a cannabis retail operations endorsement.

(b) A cannabis retail operations endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis macrobusinesses; and

(4) cannabis retailers.

Sec. 53. Minnesota Statutes 2024, section 342.27, subdivision 2, is amended to read:

Subd. 2. **Sale of cannabis and cannabinoid products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are at least 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products may sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that:

(1) are obtained from a business licensed under this chapter; and

(2) meet all applicable packaging and labeling requirements.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts, up to eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids, and edible cannabis products and lower-potency hemp edibles infused with up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible ~~adult-use~~ cannabis products and hemp-derived consumer products intended to be eaten may not include more than ten milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol. A package may contain multiple servings of ten milligrams of tetrahydrocannabinol provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

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

Sec. 54. Minnesota Statutes 2024, section 342.27, is amended by adding a subdivision to read:

Subd. 2a. **Cannabis flower packaging endorsement.** (a) A cannabis business seeking to package cannabis flower at a point of retail sale must apply for and obtain a cannabis flower packaging endorsement.

(b) A cannabis business with a cannabis flower packaging endorsement must package cannabis flower in a container that:

(1) complies with all packaging requirements in section 342.62;

(2) complies with all applicable rules; and

(3) includes an affixed label on the container that, at the final point of sale to a customer, meets all requirements in section 342.63 and applicable rules.

(c) A cannabis business with a cannabis flower packaging endorsement may store bulk cannabis flower intended to be packaged at the point of sale outside of the secure storage area during operating hours. At the end of operating hours, the business must ensure that bulk cannabis flower is placed in the secure storage area.

(d) A cannabis flower packaging endorsement is available to the following license holders only if the license holder holds a cannabis retail operations endorsement:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis macrobusinesses; and

(4) cannabis retailers.

Sec. 55. Minnesota Statutes 2024, section 342.27, subdivision 12, is amended to read:

Subd. 12. **Prohibitions.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall not:

(1) sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) give away immature cannabis plants or seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(4) operate a drive-through window;

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines; ~~or~~

(6) sell cannabis plants, cannabis flower, or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational~~.~~; or

(7) sell medical cannabinoid products to a person who is not registered in the patient registry or is not enrolled in the registry program as a patient or caregiver.

Sec. 56. Minnesota Statutes 2025 Supplement, section 342.28, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis microbusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

(5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, a ~~medical~~ cannabis ~~combination business~~ macrobusiness, a lower-potency hemp edible manufacturer, or a lower-potency hemp edible wholesaler;

(7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(8) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(11) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;

(12) operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and

(13) perform other actions approved by the office.

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

Sec. 57. Minnesota Statutes 2024, section 342.28, subdivision 6, is amended to read:

Subd. 6. **Cannabis cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must apply for and obtain a cannabis cultivation endorsement and comply with the requirements in section 342.25.

Sec. 58. Minnesota Statutes 2024, section 342.28, subdivision 7, is amended to read:

Subd. 7. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis microbusiness ~~that creates~~ seeking to manufacture cannabis concentrate must apply for and obtain a cannabis extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(b) A cannabis microbusiness seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(c) A cannabis microbusiness seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

Sec. 59. Minnesota Statutes 2025 Supplement, section 342.28, subdivision 8, is amended to read:

Subd. 8. **Production of consumer products endorsement and edible cannabinoid product handler endorsement.** (a) A cannabis microbusiness ~~that manufactures edible~~ seeking to manufacture cannabis products~~, lower-potency hemp products,~~ or hemp-derived consumer products must apply for and obtain a production of consumer products endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

(b) A cannabis microbusiness seeking to manufacture edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

Sec. 60. Minnesota Statutes 2024, section 342.28, subdivision 9, is amended to read:

Subd. 9. **Retail operations endorsement.** (a) A cannabis microbusiness ~~that operates~~ seeking to operate a retail location must apply for and obtain a cannabis retail operations endorsement and comply with the requirements in section 342.27.

(b) A cannabis microbusiness with a cannabis retail operations endorsement may apply for and obtain a cannabis flower packaging endorsement subject to the requirements in section 342.27, subdivision 2a.

Sec. 61. Minnesota Statutes 2024, section 342.28, subdivision 11, is amended to read:

Subd. 11. **Transportation between facilities.** A cannabis microbusiness ~~may~~ seeking to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis microbusiness ~~if~~ must apply for and obtain an internal transporter endorsement. To obtain an internal transporter endorsement, the cannabis microbusiness must:

(1) ~~provides~~ provide the office with the information described in section 342.35, subdivision 2; and

(2) ~~complies~~ comply with the requirements of section 342.36.

Sec. 62. Minnesota Statutes 2024, section 342.28, is amended by adding a subdivision to read:

Subd. 12. **Medical cannabis cultivation endorsement.** (a) A cannabis microbusiness with a cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement described in section 342.51, subdivision 1b.

(b) A cannabis microbusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility and meets the requirements of section 342.51, subdivision 1b, may cultivate up to 1,000 square feet of plant canopy in addition to the limits in section 342.28, subdivision 2, paragraph (a).

(c) A cannabis microbusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location and meets the requirements of section 342.51, subdivision 1b, may cultivate up to one-quarter acre of mature flowering plants in addition to the limits in section 342.28, subdivision 2, paragraph (b).

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

Sec. 63. Minnesota Statutes 2024, section 342.28, is amended by adding a subdivision to read:

Subd. 13. **Medical cannabis manufacturer endorsement.** (a) A cannabis microbusiness may apply for and obtain a medical cannabis manufacturer endorsement as described in section 342.51, subdivision 1c.

(b) A cannabis microbusiness with a medical cannabis manufacturer endorsement that meets the requirements of section 342.51, subdivision 1c, may manufacture cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or medical cannabinoid products up to 25 percent above the limit established in rule for the manufacturing capacity of a cannabis microbusiness.

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

Sec. 64. Minnesota Statutes 2024, section 342.28, is amended by adding a subdivision to read:

Subd. 14. **Medical cannabis retail endorsement.** (a) A cannabis microbusiness with a retail endorsement may apply for and obtain a medical cannabis retail endorsement described in section 342.51, subdivision 1d.

(b) A cannabis microbusiness with a medical cannabis retail endorsement that meets the requirements of section 342.51, subdivision 1d, may operate one additional retail location in excess of the limit in section 342.28, subdivision 2, paragraph (d), if at least one retail location is located in an area identified by the office as a high medical need area.

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

Sec. 65. Minnesota Statutes 2025 Supplement, section 342.29, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;

(2) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;

(3) make cannabis concentrate;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(5) manufacture artificially derived cannabinoids;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) process medical cannabinoid products;

(8) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, a ~~medical~~ cannabis ~~combination business~~ macrobusiness, a lower-potency hemp edible manufacturer, or a lower-potency hemp edible wholesaler;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;

(11) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(13) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(14) perform other actions approved by the office.

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

Sec. 66. Minnesota Statutes 2024, section 342.29, subdivision 5, is amended to read:

Subd. 5. **Cannabis cultivation endorsement.** A cannabis mezzobusiness ~~that cultivates~~ seeking to cultivate cannabis plants and ~~harvests~~ harvest cannabis flower must apply for and obtain a cannabis cultivation endorsement and comply with the requirements in section 342.25.

Sec. 67. Minnesota Statutes 2024, section 342.29, subdivision 6, is amended to read:

Subd. 6. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis mezzobusiness ~~that creates~~ seeking to manufacture cannabis concentrate must apply for and obtain a cannabis extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(b) A cannabis mezzobusiness seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(c) A cannabis mezzobusiness seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

Sec. 68. Minnesota Statutes 2025 Supplement, section 342.29, subdivision 7, is amended to read:

Subd. 7. **Production of consumer products endorsement and edible cannabinoid product handler endorsement.** (a) A cannabis mezzobusiness ~~that manufactures edible~~ seeking to manufacture cannabis products~~, lower-potency hemp products,~~ or hemp-derived consumer products must apply for and obtain a production of consumer products endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

(b) A cannabis mezzobusiness seeking to manufacture edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

Sec. 69. Minnesota Statutes 2024, section 342.29, subdivision 8, is amended to read:

Subd. 8. **Retail operations endorsement.** (a) A cannabis mezzobusiness ~~that operates~~ seeking to operate a retail location must apply for and obtain a cannabis retail operations endorsement and comply with the requirements in section 342.27.

(b) A cannabis mezzobusiness with a cannabis retail operations endorsement may apply for and obtain a cannabis flower packaging endorsement subject to the requirements in section 342.27, subdivision 2a.

Sec. 70. Minnesota Statutes 2024, section 342.29, subdivision 8a, is amended to read:

Subd. 8a. **Multiple endorsements required.** (a) Within 18 months of receiving a cannabis mezzobusiness license, a cannabis mezzobusiness must apply for and obtain at least two of the following endorsements ~~identified in subdivisions 5, 6, 7, and 8.~~:

(1) a cannabis cultivation endorsement under section 342.25;

(2) a cannabis extraction and concentration endorsement under section 342.26;

(3) a hemp extraction and concentration endorsement under section 342.26;

(4) a creation of artificially derived cannabinoids endorsement under section 342.26;

(5) an edible cannabinoid product handler endorsement under section 342.26;

(6) a production of consumer products endorsement under section 342.26; or

(7) a cannabis retail operations endorsement under section 342.27.

(b) If a cannabis mezzobusiness fails to obtain multiple endorsements within 18 months, the office may suspend, revoke, or not renew the license as provided in section 342.21.

Sec. 71. Minnesota Statutes 2024, section 342.29, subdivision 10, is amended to read:

Subd. 10. **Transportation between facilities.** A cannabis mezzobusiness ~~may~~ seeking to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis mezzobusiness ~~if~~ must apply for and obtain an internal transporter endorsement. To obtain an internal transporter endorsement, the cannabis mezzobusiness must:

(1) ~~provides~~ provide the office with the information described in section 342.35, subdivision 2; and

(2) ~~complies~~ comply with the requirements of section 342.36.

Sec. 72. Minnesota Statutes 2024, section 342.29, is amended by adding a subdivision to read:

Subd. 11. **Medical cannabis cultivation endorsement.** (a) A cannabis mezzobusiness with a cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement described in section 342.51, subdivision 1b.

(b) A cannabis mezzobusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility and meets the requirements of section 342.51, subdivision 1b, may cultivate up to 3,000 square feet of plant canopy in addition to the limits in section 342.29, subdivision 2, paragraph (a).

(c) A cannabis mezzobusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location and meets the requirements of section 342.51, subdivision 1b, may cultivate up to one-half acre of mature flowering plants in addition to the limits in section 342.29, subdivision 2, paragraph (b).

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

Sec. 73. Minnesota Statutes 2024, section 342.29, is amended by adding a subdivision to read:

Subd. 12. **Medical cannabis manufacturer endorsement.** (a) A cannabis mezzobusiness may apply for and obtain a medical cannabis manufacturer endorsement as described in section 342.51, subdivision 1c.

(b) A cannabis mezzobusiness with a medical cannabis manufacturer endorsement that meets the requirements of section 342.51, subdivision 1c, may manufacture cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or medical cannabinoid products up to 25 percent above the limit established in rule for the manufacturing capacity of a cannabis mezzobusiness.

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

Sec. 74. Minnesota Statutes 2024, section 342.29, is amended by adding a subdivision to read:

Subd. 13. **Medical cannabis retail endorsement.** (a) A cannabis mezzobusiness with a retail endorsement may apply for and obtain a medical cannabis retail endorsement described in section 342.51, subdivision 1d.

(b) A cannabis mezzobusiness with a medical cannabis retail endorsement that meets the requirements of section 342.51, subdivision 1d, may operate up to two additional retail locations in excess of the limit in section 342.29, subdivision 2, paragraph (d), if at least two retail locations are located in an area identified by the office as a high medical need area.

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

Sec. 75. Minnesota Statutes 2025 Supplement, section 342.30, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** (a) A cannabis cultivator seeking to cultivate cannabis must apply for and obtain a cannabis cultivation endorsement.

(b) A cannabis cultivator ~~license entitles the license holder to~~ with a cannabis cultivation endorsement may:

(1) grow cannabis plants within the approved amount of space from seed or immature plant to mature plant;

(2) harvest cannabis flower from a mature plant;

(3) package and label immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses;

(4) sell immature cannabis plants and seedlings and cannabis flower to other cannabis businesses;

(5) transport cannabis flower to a cannabis manufacturer located on the same premises; and

(6) perform other actions approved by the office.

Sec. 76. Minnesota Statutes 2024, section 342.30, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis ~~cultivator license~~ cultivation endorsement must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with the applicable building code and federal and state environmental and workplace safety requirements;

(2) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation including the total amount of plant canopy; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Sec. 77. Minnesota Statutes 2024, section 342.30, is amended by adding a subdivision to read:

Subd. 6. **Medical cannabis cultivation endorsement.** (a) A cannabis cultivator with a cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement described in section 342.51, subdivision 1b.

(b) A cannabis cultivator with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility and meets the requirements of section 342.51, subdivision 1b, may cultivate up to 6,000 square feet of plant canopy in addition to the limits in section 342.30, subdivision 2, paragraph (a).

(c) A cannabis cultivator with a medical cannabis cultivation endorsement that cultivates cannabis at an outdoor location and meets the requirements of section 342.51, subdivision 1b, may cultivate up to one acre of mature flowering plants in addition to the limits in section 342.30, subdivision 2, paragraph (b).

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

Sec. 78. Minnesota Statutes 2024, section 342.31, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis ~~manufacturer license~~ extraction and concentration endorsement, a hemp extraction and concentration endorsement, a creation of artificially derived cannabinoids endorsement, a production of consumer products endorsement, or an edible product handler endorsement must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements; and

(2) evidence that the business will comply with the applicable operation requirements for the endorsement being sought.

Sec. 79. Minnesota Statutes 2024, section 342.31, subdivision 5, is amended to read:

Subd. 5. **Manufacturing operations and endorsements.** (a) A cannabis manufacturer must comply with the requirements in section 342.26. A cannabis manufacturer must apply for and obtain a cannabis extraction and concentration endorsement, a hemp extraction and concentration endorsement, a creation of artificially derived cannabinoids endorsement, a production of consumer products endorsement, or an edible product handler endorsement before conducting activities authorized only under the applicable endorsement.

(b) A cannabis manufacturer may apply for and obtain a medical cannabis manufacturer endorsement as described in section 342.51, subdivision 1c.

Sec. 80. Minnesota Statutes 2025 Supplement, section 342.32, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** (a) A cannabis retailer seeking to conduct retail sales of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must apply for and obtain a cannabis retail operations endorsement.

(b) A cannabis retailer ~~license entitles the license holder to~~ with a cannabis retail operations endorsement may:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, and ~~medical~~ cannabis ~~combination businesses~~ macrobusinesses;

(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer or lower-potency hemp edible wholesaler;

(3) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to customers; and

(4) perform other actions approved by the office.

Sec. 81. Minnesota Statutes 2024, section 342.32, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis retail ~~license~~ operations endorsement must submit the following information in a form approved by the office:

(1) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(2) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; policies to avoid sales to individuals who are under 21 years of age; identification of a restricted area for storage; and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the retail location; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Sec. 82. Minnesota Statutes 2024, section 342.32, is amended by adding a subdivision to read:

Subd. 6. **Medical cannabis retail endorsement and medical cannabis delivery endorsement.** (a) A cannabis retailer with a retail endorsement may apply for and obtain a medical cannabis retail endorsement described in section 342.51, subdivision 1d.

(b) A cannabis retailer with a medical cannabis retail endorsement that meets the requirements of section 342.51, subdivision 1d, may operate up to three additional retail locations in excess of the limit in subdivision 2, if three retail locations are located in an area identified by the office as a high medical need area.

(c) A cannabis retailer with a medical cannabis retail endorsement and a cannabis delivery license may apply for and obtain a medical cannabis delivery endorsement as described in section 342.51, subdivision 1e.

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

Sec. 83. Minnesota Statutes 2024, section 342.35, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, and lower-potency hemp edible retailers~~, and medical cannabis combination businesses~~ and perform other actions approved by the office.

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

Sec. 84. Minnesota Statutes 2024, section 342.37, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to:

(1) obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, ~~medical~~ cannabis ~~combination businesses~~ macrobusinesses, and industrial hemp growers; and

(2) perform other actions approved by the office.

Sec. 85. Minnesota Statutes 2024, section 342.39, as amended by Laws 2025 chapter 31, section 66, is amended to read:

342.39 CANNABIS EVENT ORGANIZER LICENSING.

Subdivision 1. **Authorized actions.** (a) A cannabis event organizer license entitles the license holder to organize ~~a~~ temporary cannabis events, with each event lasting no more than four days, and perform other actions approved by the office.

(b) For each temporary cannabis event, the license holder is required to submit additional information pursuant to section 342.40.

Subd. 2. **Additional information required.** (a) In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis event organizer license must submit the following information in a form approved by the office:

(1) the type and number of any other cannabis business license held by the applicant;

~~(2) the address and location where the temporary cannabis event will take place;~~

~~(3) the name of the temporary cannabis event;~~

~~(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds, all entrances and exits that will be used by participants during the event, all cannabis consumption areas, all cannabis retail areas where cannabis flower, cannabis products, lower potency hemp edibles, and hemp-derived consumer products will be sold, the location where cannabis waste will be stored, and any location where cannabis flower, cannabis products, lower potency hemp edibles, and hemp-derived consumer products will be stored;~~

~~(5) a list of the name, number, and type of cannabis businesses and hemp businesses that will sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower potency hemp edibles, and hemp-derived consumer products at the event, which may be supplemented or amended within 72 hours of the time at which the cannabis event begins;~~

~~(6) the dates and hours during which the cannabis event will take place;~~

~~(7) proof of local approval for the cannabis event; and~~

~~(8) evidence that the business will comply with the applicable operation requirements for the license being sought.~~

~~(b) A person, cooperative, or business seeking a cannabis event organizer license may also disclose whether the person or any officer, director, manager, and general partner of a cannabis business is serving or has previously served in the military.~~

(2) a description of the applicant's process for planning and organizing cannabis events, including:

(i) the applicant's method of selecting a venue;

(ii) the applicant's method of coordinating with and overseeing vendors that participate in cannabis events; and

(iii) criteria that the applicant will use for selecting cannabis and hemp businesses to participate in cannabis events;

(3) a description of security measures and protocols that the applicant will use, including:

(i) the process that the applicant will use for hiring and contracting with licensed security personnel;

(ii) the method that the applicant will use to ensure that security personnel do not consume cannabis or hemp products before or during cannabis events;

(iii) the method that the applicant will use for managing and controlling crowds at cannabis events;

(iv) the method that the applicant will use to ensure that access to an event is limited to individuals who are at least 21 years of age; and

(v) the method that the applicant will use for managing access to consumption and retail areas;

(4) a description of how the applicant will comply with state and local laws and rules at each cannabis event, including:

(i) the applicant's method of verifying that each participating business has a valid license issued by the office;

(ii) the applicant's method for ensuring that cannabis products are only sold by licensed retailers in designated retail areas; and

(iii) the applicant's methods for handling any violations of this chapter or Minnesota Rules at cannabis events;

(5) the applicant's procedures for protecting the health and safety of event participants, including:

(i) emergency response plans, fire safety protocols, and the availability of medical assistance devices in the case of a medical emergency; and

(ii) guidelines for managing consumption areas to prevent over-intoxication and other health risks;

(6) the applicant's procedures for working with licensed cannabis transporters to handle the transportation of cannabis plants, products, and related items to and from events;

(7) the applicant's management and disposal of cannabis waste in compliance with state laws and rules, including methods for securely collecting, storing, and transporting cannabis waste from each event site; and

(8) the applicant's methods for reporting and documenting cannabis events to regulators for inspections and post-event evaluations.

(b) Any commitment or statement that the applicant makes in an application to the office is an ongoing material condition of maintaining and renewing the applicant's cannabis event organizer license.

(c) An application for a cannabis event organizer license is not required to include the information required under section 342.14, subdivision 1, paragraph (a), clauses (5), (6), (9), and (10).

Subd. 2a. **Attestation required.** When renewing a cannabis event organizer license, a cannabis event organizer license holder with ten or more full-time equivalent employees must submit to the office an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis event organizer license may not hold a cannabis testing facility license~~, a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, or a lower-potency hemp edible retailer license~~.

~~(b) The office by rule may limit the number of cannabis event licenses that a person or business may hold.~~

~~(c)~~ (b) For purposes of this subdivision, restrictions on the number or type of license that a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

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

Sec. 86. Minnesota Statutes 2024, section 342.40, subdivision 1, is amended to read:

Subdivision 1. ~~Local~~ **Temporary event approval.** (a) To host a temporary cannabis event under this section, a cannabis event organizer must ~~receive~~ submit a site registration with the following information to the office in a form approved by the office:

(1) proof that the event has received local approval, including ~~obtaining~~ proof that the cannabis event organizer has obtained any necessary permits or licenses issued by a local unit of government~~, before holding a cannabis event.~~;

(2) the address and location where the temporary cannabis event will take place;

(3) the name of the temporary cannabis event;

(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds; all entrances and exits that will be used by participants during the event; all cannabis consumption areas; all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold; the location where cannabis waste will be stored; and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;

(5) a list that includes: (i) the name of each cannabis business and hemp business that will sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at the temporary cannabis event; (ii) the type of each business participating in the temporary cannabis event; and (iii) the number of businesses participating in the temporary cannabis event. The list may be amended up to 72 hours before the temporary cannabis event begins;

(6) the dates and hours during which the temporary cannabis event will take place; and

(7) evidence that the cannabis event organizer will comply with all applicable operation requirements.

(b) Upon review of the temporary cannabis event application materials submitted by the license holder, the office may deny a temporary cannabis event if:

(1) the application is incomplete;

(2) the temporary cannabis event does not have local approval;

(3) the application contains a materially false statement about the applicant or omits information required under subdivision 1;

(4) the license holder fails to pay the applicable application fee in section 342.11, paragraph (b), clause (10), item (iv); and

(5) the license holder fails to pass any applicable site inspection for the temporary cannabis event.

(c) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within seven calendar days of the office's request for information, the office may deny the application.

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

Sec. 87. Minnesota Statutes 2025 Supplement, section 342.40, subdivision 7, is amended to read:

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, ~~medical~~ cannabis ~~combination businesses~~ macrobusinesses operating a retail location, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.27, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Display samples of adult-use cannabis and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A display sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.27, subdivision 6, apply to authorized retailers offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products; or

(4) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for display samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) Authorized retailers must record in the statewide monitoring system all cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, distributed, damaged, or destroyed at ~~a~~ the cannabis event ~~must be recorded in the statewide monitoring system~~.

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

Sec. 88. Minnesota Statutes 2024, section 342.41, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions; medical cannabis delivery endorsement.** (a) A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and ~~medical~~ cannabis ~~combination businesses~~ macrobusinesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

(b) A cannabis delivery license holder may apply for and obtain a medical cannabis delivery endorsement as described in section 342.51, subdivision 1e, to deliver medical cannabis flower and medical cannabinoid products to patients and persons enrolled in the registry.

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

Sec. 89. **[342.425] CANNABIS TRANSPORT TO TESTING FACILITY.**

(a) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, and cannabis manufacturer may transport samples of its cultivated or manufactured products to a cannabis testing facility for testing purposes if the cannabis business:

(1) maintains a shipping manifest that meets the requirements for transportation manifests as established by rule;

(2) transports the samples in a transport vehicle equipped with a storage compartment that meets the requirements of section 342.42, subdivision 5, and the requirements for secure transport as established by the office;

(3) submits information in a form approved by the office that includes a list of all vehicles to be used in the transport of samples of products, the vehicle make, the vehicle model, the vehicle color, the vehicle identification number, and the license plate number; and

(4) attests to holding an active commercial vehicle insurance policy for the transport vehicle.

(b) This section expires February 1, 2029.

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

Sec. 90. Minnesota Statutes 2025 Supplement, section 342.43, subdivision 2, is amended to read:

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business may hold any combination of a lower-potency hemp edible manufacturer, a lower-potency hemp edible wholesaler, and a lower-potency hemp edible retailer license.

(b) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, and also holding a license to cultivate industrial hemp issued pursuant to chapter 18K.

(c) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, electronic delivery devices as defined in section 609.685, subdivision 1, and nicotine and lobelia delivery products as described in section 609.6855; or manufacture or sell alcoholic beverages as defined in section 340A.101, subdivision 2.

(d) A person, cooperative, or business holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, may ~~not~~ hold a cannabis business license.

Sec. 91. Minnesota Statutes 2025 Supplement, section 342.44, subdivision 1, is amended to read:

Subdivision 1. **Application; contents.** (a) Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to hemp businesses.

(b) The office shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

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

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(c) An applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement. A labor peace agreement entered into on or after August 15, 2025, must address the duration of the election.

(d) The office may determine whether any civil or regulatory violation as determined by the office, another state agency, a local government, or any other jurisdiction disqualifies an individual or business from receiving a hemp business license issued under this chapter. The office may determine the length of the disqualification.

Sec. 92. Minnesota Statutes 2024, section 342.44, subdivision 2, is amended to read:

Subd. 2. **Issuance; eligibility; prohibition on transfer.** (a) The office may issue a hemp license to an applicant who:

(1) is at least 21 years of age;

(2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;

(3) has paid the applicable application and license fees pursuant to section 342.11; and

(4) is not employed by the office or any state agency with regulatory authority over this chapter~~; and~~.

~~(5) does not hold any cannabis business license.~~

(b) Licenses must be renewed annually.

(c) Licenses may not be transferred.

Sec. 93. Minnesota Statutes 2024, section 342.45, subdivision 3, is amended to read:

Subd. 3. **Extraction and concentration.** (a) A lower-potency hemp edible manufacturer ~~that creates~~ seeking to create hemp concentrate ~~or~~ must apply for and obtain a lower-potency hemp extraction and concentration endorsement. A lower-potency hemp edible manufacturer seeking to create artificially derived cannabinoids must apply for and obtain ~~an~~ a lower-potency hemp creation of artificially derived cannabinoid endorsement from the office.

(b) A lower-potency hemp edible manufacturer ~~seeking an~~ with a lower-potency hemp extraction and concentration endorsement ~~to create hemp concentrate~~ must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of hemp concentrate. A lower-potency hemp edible manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A lower-potency hemp edible manufacturer ~~seeking an~~ with a lower-potency hemp creation of artificially derived cannabinoid endorsement ~~to create artificially derived cannabinoids~~ must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A ~~business licensed or authorized to manufacture lower-potency hemp edibles~~ lower-potency hemp edible manufacturer may not use a method of conversion or a catalyst without approval by the office.

(d) A lower-potency hemp edible manufacturer with a lower-potency hemp extraction and concentration endorsement or a lower-potency hemp creation of artificially derived cannabinoid endorsement must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) Upon the sale of hemp concentrate or artificially derived cannabinoids to any person, cooperative, or business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals involved in that method.

Sec. 94. Minnesota Statutes 2025 Supplement, section 342.46, subdivision 8, is amended to read:

Subd. 8. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A. The office may issue an on-site consumption endorsement to a lower-potency hemp edible retailer that does not also hold an on-sale license issued under chapter 340A if the lower-potency hemp edible retailer submits proof of liability insurance as required by section 340A.409, except that the proof must be submitted to the office.

(c) A lower-potency hemp edible retailer must ensure that lower-potency hemp edibles sold for on-site consumption comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of the edibles' packaging if the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabinoid product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under subdivision 7, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell, give, furnish, or in any way procure for another lower-potency hemp edibles for the use of an obviously intoxicated person;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage, including containers containing multiple servings of a lower-potency hemp edible product intended to be consumed as a beverage; ~~or~~

(3) sell products from containers containing multiple servings of a lower-potency hemp edible product intended to be consumed as a beverage for on-site consumption; or

(4) permit lower-potency hemp edibles that have been removed from the products' packaging to be removed from the premises of the lower-potency hemp edible retailer.

(i) A lower-potency hemp edible retailer is permitted to sell and may permit the consumption of lower-potency hemp edibles ~~that are intended to be consumed as a beverage~~ at an event hosted off site if:

(1) the event has been authorized by the local unit of government exercising jurisdiction over the location;

(2) the event organizer holds an on-sale license issued under chapter 340A; and

(3) the event does not exceed four days.

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

Sec. 95. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1a. **Types of medical cannabis endorsements; authorized actions.** The office may issue the following types of medical cannabis endorsements to a license holder:

(1) a medical cannabis cultivation endorsement;

(2) a medical cannabis manufacturer endorsement; and

(3) a medical cannabis retail endorsement.

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

Sec. 96. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1b. **Medical cannabis cultivation endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis cultivator with a cannabis cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement.

(b) A cannabis business with a medical cannabis cultivation endorsement must:

(1) comply with the requirements of section 342.25; and

(2) otherwise meet all applicable requirements established by the office.

(c) A medical cannabis cultivation endorsement entitles the license holder to perform the actions authorized in section 342.30, subdivision 1.

(d) A cannabis microbusiness with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility may cultivate an additional 1,000 square feet of cannabis indoors or one-quarter acre outdoors in addition to the limits in section 342.28.

(e) A cannabis mezzobusiness with a medical cannabis cultivation endorsement may cultivate an additional 3,000 square feet of cannabis indoors or one-half acre outdoors in addition to the limits in section 342.29.

(f) A cannabis cultivator with a medical cannabis cultivation endorsement may cultivate an additional 6,000 square feet indoors or one acre outdoors in addition to the limits in section 342.30.

(g) Annually, at least one quarter of all cannabis flower cultivated by a cannabis business with a medical cannabis cultivation endorsement must be sold by the license holder to a cannabis business with a medical cannabis endorsement, including the license holder if the license holder has a medical cannabis manufacturing endorsement or medical cannabis retail endorsement.

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

Sec. 97. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1c. **Medical cannabis manufacturer endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis manufacturer with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement may apply for and obtain a medical cannabis manufacturer endorsement.

(b) A cannabis business with a medical cannabis manufacturer endorsement must:

(1) comply with the requirements of section 342.26;

(2) manufacture high medical need products identified by the office; and

(3) otherwise meet all applicable requirements established by the office.

(c) A medical cannabis manufacturer endorsement entitles a license holder to:

(1) manufacture medical cannabinoid products; and

(2) sell medical cannabinoid products only to other cannabis businesses with a medical cannabis manufacturer endorsement or medical cannabis retail endorsement.

(d) A medical cannabinoid product must be labeled with a "Minnesota Medical Cannabis" warning symbol and must only be sold to a person, patient, or caregiver enrolled in the registry program or a visiting patient.

(e) A medical cannabis manufacturer endorsement held by a cannabis microbusiness entitles the license holder to exceed the manufacturing limits of cannabis by dry weight up to 25 percent above the limit established by the office in rule.

(f) A medical cannabis manufacturer endorsement held by a cannabis mezzobusiness entitles the license holder to exceed the manufacturing limits of cannabis by dry weight up to 25 percent above the limit established by the office in rule.

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

Sec. 98. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1d. **Medical cannabis retail endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis retailer with a cannabis retail operations endorsement may apply for and obtain a medical cannabis retail endorsement.

(b) A cannabis business with a medical cannabis retail endorsement must:

(1) comply with all requirements of this section and section 342.27;

(2) employ or contract with a medical cannabis consultant who has a certificate issued by the office and completed the required training or a licensed pharmacist under chapter 151 to consult and provide final authorization for a person enrolled in the registry program;

(3) ensure availability of patient consultations as required under this section;

(4) ensure that patients and caregivers enrolled in the registry program receive priority service;

(5) carry all products identified by the office as high medical need; and

(6) otherwise meet all applicable requirements established by the office.

(c) The office must identify high medical need products and publish a list of all high medical need products on the office's publicly accessible website, including at least the following product types:

(1) pill;

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

(3) orally dissolvable product, including lozenge, gum, mint, buccal tablet, and sublingual tablet; and

(4) tincture.

(d) A medical cannabis retail endorsement held by a cannabis business entitles the license holder to perform the actions authorized in section 342.32, subdivision 1.

(e) A cannabis microbusiness with a medical retail endorsement may operate one additional retail location in excess of the limit in section 342.28, subdivision 2, paragraph (d), if at least one retail location is located in an area identified by the office as a high medical need area.

(f) A cannabis mezzobusiness with a medical cannabis retail endorsement may operate two additional retail locations in excess of the limit in section 342.29, subdivision 2, paragraph (d), if the retail locations are located in an area identified by the office as a high medical need area.

(g) A cannabis retailer with a medical cannabis retail endorsement may operate up to three additional retail locations in excess of the limit established in section 342.32, subdivision 2, if the retail locations are located in an area identified by the office as a high medical need area.

(h) Notwithstanding paragraph (b), clause (2), a cannabis macrobusiness with a medical cannabis retail endorsement must employ at least one employee who earned a medical cannabis consultant certificate issued by the office and has completed the required training or has at least one employee who is a licensed pharmacist under chapter 151.

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

Sec. 99. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1e. **Additional authorized actions; medical cannabis delivery endorsement.** A cannabis macrobusiness with a medical cannabis retail endorsement or a cannabis delivery license holder may apply for and obtain a medical cannabis delivery endorsement to deliver medical cannabis flower and medical cannabinoid products to patients enrolled in the registry program; registered designated caregivers; and parents, legal guardians, and spouses of an enrolled patient if the cannabis business:

(1) provides the office with the information required in section 342.41, subdivision 2; and

(2) complies with the requirements of subdivisions 2 and 3 and section 342.42.

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

Sec. 100. Minnesota Statutes 2025 Supplement, section 342.51, subdivision 2, is amended to read:

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program, an employee of a cannabis business must:

(1) review and confirm the patient's enrollment in the registry program;

(2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures established by the office;

(3) confirm that the patient had a consultation with (i) ~~an employee with a valid~~ a medical cannabis consultant who has a valid certificate issued by the office; or (ii) ~~an employee who is~~ a licensed pharmacist under chapter 151 to determine the proper medical cannabis flower or medical cannabinoid product, dosage, and paraphernalia for the patient if required under subdivision 3;

(4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required by the office; and

(5) provide the patient with any other information required by the office.

(b) A cannabis business with a medical cannabis retail endorsement may not deliver medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program unless the cannabis business with a medical cannabis retail endorsement also holds a cannabis delivery service license or a medical cannabis delivery endorsement. The delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.42.

(c) A cannabis business with a medical cannabis retail endorsement may not distribute, sell, or deliver medical cannabis flower and medical cannabinoid products intended to be vaporized to a person enrolled in the registry program if the product is intended for a patient under 21 years of age.

(d) A cannabis macrobusiness with a medical cannabis retail endorsement must confirm that the patient had a consultation with (1) an employee with a medical cannabis consultant certificate issued by the office and who has completed the required training, or (2) an employee who is a licensed pharmacist under chapter 151 to determine the proper medical cannabis flower or medical cannabinoid product, dosage, and paraphernalia for the patient if required under subdivision 3.

EFFECTIVE DATE. Paragraph (c) is effective the day following final enactment. Paragraphs (a), (b), and (d) are effective January 1, 2027.

Sec. 101. Minnesota Statutes 2024, section 342.51, subdivision 3, is amended to read:

Subd. 3. **Final approval for distribution of medical cannabis flower and medical cannabinoid products.** (a) ~~A cannabis worker who is employed by a cannabis business with a medical cannabis retail endorsement who is licensed as a pharmacist pursuant to chapter 151 or certified as a medical cannabis consultant by the office is the only person who may give~~ Final approval for the distribution of medical cannabis flower and medical cannabinoid products~~. Prior to the distribution of medical cannabis flower or medical cannabinoid products, a pharmacist or certified medical cannabis consultant employed by the cannabis business with a medical cannabis retail endorsement must consult~~ may only be given by a licensed pharmacist under chapter 151 or a medical cannabis consultant who has a certificate issued by the office after consultation with the patient to determine the proper type of medical cannabis flower, medical cannabinoid product, or medical cannabis paraphernalia, and the proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product intended for distribution:

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

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

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

(4) upon the request of the patient.

(b) For purposes of this subdivision, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, as long as:

(1) the pharmacist or consultant engaging in the consultation is able to confirm the identity of the patient; and

(2) the consultation adheres to patient privacy requirements that apply to health care services delivered through telemedicine.

(c) A cannabis macrobusiness must have an employee who is either a medical cannabis consultant who has a certificate issued by the office and completed the required training or a licensed pharmacist under chapter 151.

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

Sec. 102. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 6. **Enforcement.** The office may enforce this section under the relevant provisions of section 342.19, including but not limited to issuing administrative orders, embargoing products, and imposing civil penalties. The office may suspend or revoke the medical cannabis endorsement of a license holder if the office determines that the business is not actively participating in the medical cannabis market by not making available at each retail location high medical need products identified by the office within 24 hours of a patient request or otherwise failing to comply with the requirements of this section or this chapter.

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

Sec. 103. Minnesota Statutes 2024, section 342.515, as amended by Laws 2025, chapter 31, sections 89 and 90, is amended to read:

342.515 ~~MEDICAL~~ CANNABIS ~~COMBINATION BUSINESSES~~ MACROBUSINESSES.

Subdivision 1. **Authorized actions.** ~~(a) A person, cooperative, or business holding a medical cannabis combination business license is prohibited from owning or operating any other cannabis business or hemp business or holding an active registration agreement under section 152.25, subdivision 1.~~

~~(b) A person or business may hold only one medical cannabis combination business license.~~

~~(c)~~ (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness license, consistent with the requirements of specific license endorsements approved by the office, entitles the license holder to perform ~~any or all of~~ the following ~~within the limits established by this section~~ actions:

(1) grow cannabis plants from seed or immature plant to mature plant ~~and,~~ harvest adult-use cannabis flower and medical cannabis flower from a mature plant, package and label cannabis flower for sale to other cannabis businesses, and sell immature cannabis plants and seedlings and cannabis flower to other cannabis businesses;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

~~(5) manufacture medical cannabinoid products;~~

~~(6)~~ (5) manufacture, package, and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

~~(7)~~ (6) purchase immature cannabis plants and seedlings ~~and,~~ cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, ~~or~~ another ~~medical~~ cannabis ~~combination business~~ macrobusiness, a lower-potency hemp edible manufacturer, or a lower-potency hemp edible wholesaler;

~~(8)~~ (7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

~~(9)~~ (8) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or another ~~medical~~ cannabis ~~combination business~~ macrobusiness;

~~(10)~~ (9) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

~~(11) manufacture, package, and label medical cannabis flower and medical cannabinoid products for sale to cannabis businesses with a medical cannabis processor endorsement, cannabis businesses with a medical cannabis retail endorsement, other medical cannabis combination businesses, and persons in the registry program;~~

~~(12) transport and deliver medical cannabis flower and medical cannabinoid products to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;~~

~~(13) manufacture, package, and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers and other cannabis businesses;~~

~~(14) sell medical cannabis flower and medical cannabinoid products to other cannabis businesses with a medical endorsement, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;~~

~~(15)~~ (10) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law ~~to other cannabis businesses and~~ to other cannabis businesses and to customers;

~~(16) transport immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses;~~

~~(17)~~ (11) sell ~~and transport~~ lower-potency hemp edibles to lower-potency hemp edible retailers and lower-potency hemp edible wholesalers; and

~~(18)~~ (12) perform other actions approved by the office.

~~(d) A medical cannabis combination business is not required to obtain a medical cannabis endorsement to perform any actions authorized under this section.~~

(b) A cannabis macrobusiness must apply for and obtain a medical cannabis manufacturing endorsement and at least one other medical cannabis endorsement identified in section 342.51.

Subd. 2. **Cultivation endorsement; size limitations.** (a) A cannabis macrobusiness seeking to cultivate cannabis plants and harvest cannabis flower must obtain a cannabis cultivation endorsement and comply with section 342.25.

(b) A cannabis macrobusiness that obtains a cannabis cultivation endorsement must apply for and obtain a medical cannabis cultivation endorsement and comply with section 342.51, subdivision 1b.

~~(a)~~ (c) A ~~medical~~ cannabis ~~combination business may cultivate cannabis to be sold as medical cannabis flower or used in medical cannabinoid products in an area of up to 60,000 square feet of plant canopy subject to the limits on adult use cannabis cultivation in paragraph (c). A medical cannabis combination business may cultivate cannabis and manufacture cannabis in more than one location, except the aggregate total of plant canopy in all locations must count toward the business' canopy limit.~~ macrobusiness that cultivates cannabis at an indoor facility may cultivate up to 38,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

~~(b)~~ (d) A ~~medical~~ cannabis ~~combination business may cultivate cannabis to be sold as adult use cannabis flower or used in adult use cannabis products in an area authorized by the office as described in paragraph (c).~~ macrobusiness that cultivates cannabis at an outdoor location may cultivate up to one acre of mature, flowering plants.

~~(c) The office shall authorize a medical cannabis combination business to cultivate cannabis for sale in the adult use market in an area of plant canopy that is equal to one half of the area the business used to cultivate cannabis sold in the medical market in the preceding year. The office shall establish an annual verification and authorization procedure. The office may increase the area of plant canopy in which a medical cannabis combination business is authorized to cultivate cannabis for sale in the adult use market between authorization periods if the business demonstrates a significant increase in the sale of medical cannabis and medical cannabis products.~~

(e) A cannabis macrobusiness with a cannabis cultivation endorsement and a retail operations endorsement may package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers.

(f) A cannabis macrobusiness with a medical cannabis cultivation endorsement and a medical cannabis retail endorsement may package and label medical cannabis flower and medical cannabinoid products for sale to patients enrolled in the registry program; registered designated caregivers; and parents, legal guardians, and spouses of an enrolled patient.

Subd. 3. **~~Manufacturing~~ Manufacturer endorsement; size limitations.** (a) By rule, the office may establish limits on cannabis manufacturing that are consistent with the area of plant canopy a business is authorized to cultivate. Until the office establishes limits by rule, a cannabis macrobusiness must not use more than 90,000 pounds of cannabis or its dry-weight equivalent of raw concentrates to manufacture cannabis products.

(b) A cannabis macrobusiness must apply for and obtain a medical cannabis manufacturer endorsement and must comply with section 342.51, subdivision 1c.

(c) A cannabis macrobusiness may apply for and obtain one or more cannabis manufacturer endorsements identified in section 342.26.

Subd. 4. **Retail operations endorsement; locations.** (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness with a retail operations endorsement may operate up to ~~one retail location in each congressional district. A medical cannabis combination business must offer medical cannabis flower, medical cannabinoid products, or both at every retail location.~~ eight retail locations and, if operating more than five retail locations, must ensure that at least three retail locations are located in areas identified by the office as high medical need areas.

(b) A cannabis macrobusiness may apply for and obtain a retail operations endorsement and must comply with section 342.27.

(c) A cannabis macrobusiness with a retail operations endorsement must apply for and obtain a medical cannabis retail operations endorsement and comply with section 342.51, subdivision 1d.

(d) A cannabis macrobusiness with a retail operations endorsement and a medical cannabis retail operations endorsement must carry and make available for sale, at each retail location, all high medical need products identified by the office.

Subd. 5. **Failure to participate; suspension or revocation of license; enforcement.** The office may enforce this section and take enforcement action described in section 342.19, including issuing administrative orders, embargoing products, and imposing civil penalties, or suspend or revoke a ~~medical~~ cannabis ~~combination business~~ macrobusiness license if the office determines that the business is no longer actively participating in the medical cannabis market by not making available in stock at each retail location high medical need products identified by the office or otherwise failing to comply with the requirements of this section or this chapter. ~~The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid products, retail sales of medical cannabis flower and medical cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.~~

~~Subd. 6. **Operations.** A medical cannabis combination business must comply with the relevant requirements of sections 342.25, 342.26, 342.27, and 342.51, subdivisions 2 to 5.~~

Subd. 7. ~~**Transportation**~~ **Internal transporter endorsement.** (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness may obtain an internal transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities owned by the license holder if the ~~medical~~ cannabis ~~combination business~~ macrobusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

(b) A cannabis macrobusiness with at least two medical cannabis endorsements may apply for and obtain an external transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products to other cannabis and hemp businesses if the cannabis macrobusiness:

(1) provides the office with the information required under section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

(c) A cannabis macrobusiness with a medical cannabis endorsement is not required to obtain an external transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, medical cannabis flower, and medical cannabinoid products to a cannabis testing facility.

Subd. 8. **Multiple licenses.** (a) A person, cooperative, or business holding a cannabis macrobusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), a person, cooperative, or business holding a cannabis macrobusiness license is prohibited from owning or operating any other cannabis business or hemp business or holding more than one cannabis macrobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of licenses that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 9. **Conversion of licenses.** (a) By January 1, 2027, the office must convert any existing medical cannabis combination business licenses or applications to cannabis macrobusiness licenses or applications.

(b) Before January 1, 2030, the office may issue no more than eight cannabis macrobusiness licenses.

Subd. 10. **Additional canopy.** After the first license renewal, the office may authorize an additional 2,000 square feet of plant canopy for a cannabis macrobusiness license holder with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility. After the second license renewal, the office may authorize an additional 2,000 square feet of plant canopy for a cannabis macrobusiness license holder with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility. After the third license renewal, the office may authorize an additional 3,000 square feet of plant canopy for a cannabis macrobusiness license holder with a medical cannabis cultivation endorsement that cultivates cannabis at an indoor facility. The cannabis macrobusiness must be in good standing with the office to be eligible for an authorization of additional plant canopy.

EFFECTIVE DATE. This section is effective January 1, 2027, except subdivision 1, paragraph (a), clause (6), is effective the day following final enactment.

Sec. 104. Minnesota Statutes 2025 Supplement, section 342.61, subdivision 4, is amended to read:

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness shall make each batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) A ~~cannabis business~~ license holder shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must destroy or return to the ~~cannabis business or hemp business~~ license holder any part of the sample that remains after testing.

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

Sec. 105. Minnesota Statutes 2024, section 342.61, subdivision 5, is amended to read:

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must maintain the test results for cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness shall make test results maintained by that cannabis business or hemp business available for review by any member of the public, upon request. Test results made available to the public must be in plain language.

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

Sec. 106. Minnesota Statutes 2024, section 342.61, is amended by adding a subdivision to read:

Subd. 6. **Testing of high medical need products.** A cannabis testing facility licensed under this chapter may establish a process to prioritize the testing of high medical need products as identified by the office.

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

Sec. 107. Minnesota Statutes 2025 Supplement, section 342.62, subdivision 2, is amended to read:

Subd. 2. **Packaging requirements.** (a) ~~Except as provided in paragraph (b),~~ All ~~cannabis flower,~~ cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be~~:~~

~~(1)~~ prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque~~; or.~~

~~(2) placed in packaging or a container that is plain, child-resistant, tamper-evident, and opaque at the final point of sale to a customer.~~

(b) All cannabis flower sold to customers or patients must be prepackaged unless the business selling the cannabis flower holds a cannabis flower packaging endorsement.

~~(b)~~ (c) The requirement that packaging be child-resistant does not apply to a lower-potency hemp edible that is intended to be consumed as a beverage.

~~(c)~~ (d) If a cannabis product, lower-potency hemp edible, or a hemp-derived consumer product is packaged in a manner that includes more than a single serving, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size.

~~(d)~~ (e) Notwithstanding paragraph ~~(c)~~ (d), any edible cannabinoid products that are intended to be combined with food or beverage products before consumption must indicate a single serving using one of the following methods:

(1) the product is packaged in individual servings;

(2) the product indicates a single serving by scoring or use of another indicator that appears on the product; or

(3) the product is sold with a calibrated dropper, measuring spoon, or similar device for measuring a single serving.

~~(e)~~ (f) A package containing multiple servings of a lower-potency hemp edible that is not intended to be consumed as a beverage must not contain:

(1) more than 50 milligrams of delta-9 tetrahydrocannabinol;

(2) more than 1,000 milligrams of cannabidiol, 1,000 milligrams of cannabigerol, 1,000 milligrams of cannabinol, or 1,000 milligrams of cannabichromene~~:~~;

(3) more than the established limit of any other cannabinoid authorized by the office; or

(4) any combination of those cannabinoids that exceeds the identified amounts for each cannabinoid for the applicable product category.

~~(f)~~ (g) A ~~single~~ single-serving container containing a lower-potency hemp edible ~~product~~ that is intended to be consumed as a beverage must not contain:

(1) more than ten milligrams of delta-9 tetrahydrocannabinol;

(2) more than 200 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene;

(3) more than the established limit of any other cannabinoid authorized by the office; or

(4) any combination of those cannabinoids that exceeds the identified amounts for the applicable product category.

~~(g)~~ (h) Edible cannabis products and lower-potency hemp edibles containing more than a single serving must be prepackaged ~~or placed at the final point of sale~~ in packaging or a container that is resealable.

(i) A container containing multiple servings of a lower-potency hemp edible product that is bottled or otherwise placed in a resealable, child-resistant container intended to be consumed as a beverage must not contain:

(1) less than 750 milliliters;

(2) more than five milligrams of delta-9 tetrahydrocannabinol per serving;

(3) more than 17 servings;

(4) more than 400 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene;

(5) more than the established limit of any other cannabinoid authorized by the office; or

(6) any combination of those cannabinoids that exceeds the identified amounts for the applicable product category.

Sec. 108. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 2, is amended to read:

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) ~~information on the usage of the cannabis flower or hemp-derived consumer product~~ the type of product, including directions on usage;

(8) ~~the following statement: "Keep this product out of reach of children."~~ the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center; and

(9) any other statements or information required by the office.

Sec. 109. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products excluding lower-potency hemp edibles.** (a) All cannabis products, ~~lower-potency hemp edibles,~~ hemp concentrate, hemp-derived consumer products other than products subject to the requirements under subdivision 2, and medical cannabinoid products~~, and hemp-derived topical products~~ sold to customers or patients must have affixed to the packaging or container of the ~~cannabis~~ product a label that contains at least the following information:

~~(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis combination business, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;~~

~~(2)~~ (1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness that manufactured the product;

~~(3)~~ (2) the net weight of the ~~cannabis~~ product~~, lower-potency hemp edible, or hemp-derived consumer product~~ in the package or container;

~~(4)~~ (3) the type of ~~cannabis~~ product, ~~lower-potency hemp edible, or hemp-derived consumer product~~ including directions on usage;

~~(5)~~ (4) the batch number;

~~(6)~~ (5) the serving size;

~~(7)~~ (6) the cannabinoid profile per serving and in total;

~~(8)~~ (7) a list of ingredients;

~~(9)~~ (8) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

~~(10)~~ (9) a warning symbol ~~developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:~~ established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center;

~~(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;~~

~~(ii) is in a highly visible color;~~

~~(iii) includes a visual element that is commonly understood to mean a person should stop;~~

~~(iv) indicates that the product is not for children; and~~

~~(v) includes the phone number of the Minnesota Poison Control System;~~

~~(11)~~ (10) verification that the ~~cannabis~~ product~~, lower potency hemp edible, hemp derived consumer product, or medical cannabinoid product~~ was tested according to section 342.61 ~~and that the cannabis product, lower potency hemp edible, hemp derived consumer product, or medical cannabinoid product complies with the applicable standards~~; and

~~(12) information on the usage of the product;~~

~~(13) the following statement: "Keep this product out of reach of children."; and~~

~~(14)~~ (11) any other statements or information required by the office.

~~(b) The office may by rule establish alternative labeling requirements for lower potency hemp edibles that are imported into the state if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).~~

(b) A ratio hemp-infused cannabis product as defined in section 342.01, subdivision 63a, must include on the label the following statement: "This product contains nonintoxicating cannabinoids derived from hemp."

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective January 1, 2027.

Sec. 110. Minnesota Statutes 2024, section 342.63, subdivision 4, is amended to read:

Subd. 4. **Additional content of label; medical cannabis flower and medical cannabinoid products.** In addition to the applicable requirements for labeling under subdivision 2 or 3, all medical cannabis flower and medical cannabinoid products must include at least the following information on the label affixed to the packaging or container of the medical cannabis flower or medical cannabinoid product:

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

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

(3) the patient's registry identification number.

Sec. 111. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 5, is amended to read:

Subd. 5. **Content of label; hemp-derived topical products.** (a) All hemp-derived topical products sold to customers must have affixed to the packaging or container of the product a label that ~~contains~~ includes at least the following information:

(1) the manufacturer name, location, phone number, and website;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;

(3) the net weight or volume of the product in the package or container;

(4) the type of topical product;

(5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;

(6) a list of ingredients;

(7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and

(8) any other statements or information required by the office.

(b) All hemp-derived topical products that contain THC must have affixed to the product's packaging or container a label that includes at least the following information:

(1) the information required in paragraph (a);

(2) the amount or percentage of THC per serving and the total THC;

(3) the universal symbol established by the office indicating that the package or container contains a product containing THC;

(4) the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center; and

(5) information that the product was tested according to section 342.61, subdivision 4.

Sec. 112. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 6, is amended to read:

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must provide customers and patients with the following information:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(5) substance use disorder treatment options; and

(6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ 7522icrobusiness may include the information described in paragraph (a) by:

(1) including the information on the label affixed to the packaging or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ 7523icrobusiness; or

(3) providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

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

Sec. 113. Minnesota Statutes 2024, section 342.63, is amended by adding a subdivision to read:

Subd. 7. **Labeling of lower-potency hemp edibles.** (a) All lower-potency hemp edible products must have affixed to the packaging or container a label that includes at least the following information:

(1) information about the business that cultivated the hemp parts used in the product, including either:

(i) the business's name, the business's address, and the country and state, if applicable, where the business operates; or

(ii) the business's name and business's license number;

(2) information about the business that manufactured the hemp concentrate and artificially derived cannabinoids used in the product, including either:

(i) the business's name, the business's address, and the country and state, if applicable, where the business operates; or

(ii) the business's name and the business's license number;

(3) the net weight of the lower-potency hemp edible product in the package or container;

(4) the batch number;

(5) the serving size;

(6) the cannabinoid profile per serving and total THC;

(7) a list of ingredients;

(8) the universal symbol established by the office indicating that the package or container contains a product containing THC;

(9) the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center;

(10) verification that the lower-potency hemp edible was tested according to section 342.61;

(11) directions on the usage of the product; and

(12) any other statements or information required by the office.

(b) A cannabis or hemp business selling lower-potency hemp edibles to customers may provide customers with the required information in paragraph (a), clauses (1) and (2), through the use of a scannable barcode affixed to the label of the product if the barcode is accurate and active at all times.

(c) The label of a lower-potency hemp edible product that contains only nonintoxicating cannabinoids approved by the office and that does not include THC is not required to include the universal symbol in paragraph (a), clause (8).

Sec. 114. Minnesota Statutes 2024, section 342.66, subdivision 3, is amended to read:

Subd. 3. **Approved cannabinoids.** (a) Products manufactured, marketed, distributed, and sold under this section may contain cannabidiol or cannabigerol. Except as provided in paragraph (c), products may not contain any other cannabinoid unless approved by the office.

(b) The office may approve any cannabinoid~~, other than any tetrahydrocannabinol,~~ and authorize its use in manufacturing, marketing, distribution, and sales under this section ~~if the office determines that the cannabinoid is a nonintoxicating cannabinoid~~.

(c) A product manufactured, marketed, distributed, and sold under this section may contain ~~cannabinoids other than cannabidiol, cannabigerol, or any other cannabinoid approved by the office provided that the cannabinoids are~~ hemp concentrate that is naturally occurring in hemp plants or hemp plant parts and ~~the total of all other cannabinoids present in a product does not exceed one milligram per package~~ must not contain more than 0.3 percent total THC.

Sec. 115. Minnesota Statutes 2024, section 342.80, is amended to read:

342.80 AWFUL ACTIVITIES.

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business or hemp business in conformity with the rights granted by a cannabis business license or hemp business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ 7524icrobusiness, or lower-potency hemp edible retailer who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under 21 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.27, subdivision 4, and any rules promulgated pursuant to this chapter.

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

Sec. 116. **PSILOCYBIN THERAPEUTIC USE PROGRAM REPORT.**

(a) By January 15, 2027, the Office of Cannabis Management must publish a report with recommendations on administering a psilocybin therapeutic use program in which individuals 21 years of age and older who have qualifying medical conditions may access and use psilocybin under supervision of a facilitator at a treatment facility.

(1) Informed by the Minnesota Psychedelic Medicine Task Force's Legislative Report published January 1, 2025, the office's report must assess the feasibility of administering a psilocybin therapeutic use program, describe the viability of and methods for determining and updating a list of qualifying medical conditions, and include recommendations for program development and administration.

(2) In developing the report, the office may consult with other federal, state, or local agencies.

(3) The office must submit the report to the chairs, co-chairs, and ranking members of the legislative committees and divisions with jurisdiction over cannabis policy, health, and veterans affairs by January 15, 2027.

(b) The office must regularly analyze the availability of federal programs to provide funding to support state efforts to establish a psilocybin therapeutic use program for individuals 21 years of age and older who have qualifying medical conditions to access and use psilocybin under medical supervision.

Sec. 117. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 342.515, as Minnesota Statutes, section 342.295, and make any necessary cross-reference changes consistent with this renumbering.

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

Sec. 118. **REPEALER.**

(a) Minnesota Statutes 2024, section 151.72, subdivisions 1, 2, 4, 5, 5b, 5c, 6, and 7, are repealed.

(b) Minnesota Statutes 2024, section 342.51, subdivision 1, is repealed.

(c) Minnesota Statutes 2025 Supplement, section 151.72, subdivisions 3 and 5a, are repealed.

EFFECTIVE DATE. Paragraph (a) and paragraph (c) are effective the day following final enactment. Paragraph (b) is effective January 1, 2027.

Sec. 119. **EFFECTIVE DATE.**

Sections in this bill are effective August 1, 2026, unless otherwise stated or regarding the creation of a cannabis macrobusiness and conversion of medical cannabis combination businesses. New and stricken language in relation to the creation of a cannabis macrobusiness and conversion of medical cannabis combination businesses are effective January 1, 2027."

Delete the title and insert:

"A bill for an act relating to cannabis; modifying cannabis business, hemp business, and cannabis event organizer license and endorsement provisions; establishing a cannabis 7525icrobusiness license; modifying labeling requirements for cannabinoid products and lower-potency hemp edibles; modifying studies and an annual market analysis conducted by the Office of Cannabis Management; providing that data reported to the Office of Cannabis Management through the statewide monitoring system is not public data; modifying provisions related to public data on cannabis business license applicants and license holders; modifying provisions relating to a local unit of government's regulation of cannabis businesses; requiring reports; amending Minnesota Statutes 2024, sections 342.01, subdivisions 14, 20, 52, 54, by adding a subdivision; 342.02, subdivision 2; 342.07, subdivision 3; 342.09, subdivision 3; 342.14, subdivisions 1b, 10; 342.15, subdivisions 2, 5; 342.175; 342.185, subdivisions 1, 2, 3; 342.19, subdivision 6; 342.20, subdivisions 1, 2, 3, by adding a subdivision; 342.22, subdivisions 1, 4, 5; 342.23, subdivision 5, by adding a subdivision; 342.25, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.26, subdivisions 1, 2, 3, 4, 5; 342.27, subdivisions 1, 2, 12, by adding a subdivision; 342.28, subdivisions 6, 7, 9, 11, by adding subdivisions; 342.29, subdivisions 5, 6, 8, 8a, 10, by adding subdivisions; 342.30, subdivision 3, by adding a subdivision; 342.31, subdivisions 3, 5; 342.32, subdivision 3, by adding a subdivision; 342.35, subdivision 1; 342.37, subdivision 1; 342.39, as amended; 342.40, subdivision 1; 342.41, subdivision 1; 342.44, subdivision 2; 342.45, subdivision 3;

342.51, subdivision 3, by adding subdivisions; 342.515, as amended; 342.61, subdivision 5, by adding a subdivision; 342.63, subdivision 4, by adding a subdivision; 342.66, subdivision 3; 342.80; Minnesota Statutes 2025 Supplement, sections 342.01, subdivisions 48, 50; 342.04; 342.10; 342.11; 342.12; 342.13; 342.14, subdivisions 3, 6; 342.16; 342.18, subdivision 2; 342.22, subdivision 3; 342.28, subdivisions 1, 8; 342.29, subdivisions 1, 7; 342.30, subdivision 1; 342.32, subdivision 1; 342.40, subdivision 7; 342.43, subdivision 2; 342.44, subdivision 1; 342.46, subdivision 8; 342.51, subdivision 2; 342.61, subdivision 4; 342.62, subdivision 2; 342.63, subdivisions 2, 3, 5, 6; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2024, sections 151.72, subdivisions 1, 2, 4, 5, 5b, 5c, 6, 7; 342.51, subdivision 1; Minnesota Statutes 2025 Supplement, section 151.72, subdivisions 3, 5a."

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

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 4401 was read for the second time.

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

RECESS

RECONVENED

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 3900

A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XI, section 8; modifying the investment, management, and distribution policy for the permanent school fund; amending Minnesota Statutes 2024, sections 11A.16, subdivisions 5, 6; 127A.32.

May 13, 2026

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 3900 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: SPENCER IGO, TIM O'DRISCOLL, JAMIE LONG and CHERYL YOUAKIM.

Senate Conferees: MARY KUNESH, AMANDA HEMMINGSEN-JAEGER and STEVE CWODZINSKI.

Igo moved that the report of the Conference Committee on H. F. No. 3900 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 4282.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

THOMAS S. BOTTERN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 4282

A bill for an act relating to forecast adjustments; making forecast adjustments to prekindergarten through grade 12 education programs, human services, the Department of Children, Youth, and Families, and Metro Mobility; appropriating money; amending Laws 2025, First Special Session chapter 8, article 1, section 3, subdivisions 1, 3; Laws 2025, First Special Session chapter 10, article 1, section 28, subdivisions 2, 3, 5, 8, 10, 11, 12; article 2, section 24, subdivisions 2, 14, 15, 24; article 3, section 15, subdivisions 3, 13; article 5, section 19, subdivision 2; article 6, section 6, subdivisions 2, 7; article 7, section 11, subdivisions 2, 4, 7, 8, 9; article 8, section 18, subdivisions 3, 6; article 9, section 11, subdivisions 2, 3, 4, 6, 10; article 10, section 10, subdivisions 3, 4, 6; article 11, section 2, subdivisions 2, 4.

May 14, 2026

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 4282 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 4282, the first engrossment, be further amended as follows:

Page 1, after line 12, insert:

"ARTICLE 1
KINDERGARTEN THROUGH GRADE 12 EDUCATION

Section 1. Minnesota Statutes 2025 Supplement, section 121A.642, subdivision 4, is amended to read:

Subd. 4. **Qualifications.** (a) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 300.156, if the paraprofessional:

(1) has at least two years of college credits through an accredited institution of higher education, or an associate's degree or higher;

(2) has received a passing score on an assessment approved by the Department of Education; or

(3) demonstrates the following competencies, regardless of the number of hours of training the paraprofessional has received:

(i) understanding the distinctions between roles and responsibilities of professionals, paraprofessionals, and support personnel;

(ii) understanding the purposes and goals of education and instruction for all students;

(iii) knowledge of relevant laws, rules, regulations, and local district policies and procedures to ensure paraprofessionals work within these parameters;

(iv) awareness of the challenges and expectations of various learning environments;

(v) the ability to establish and maintain rapport with students;

(vi) the ability to follow oral and written direction of licensed teachers, seeking clarification as needed;

(vii) the ability to assist and reinforce elements that support a safe, healthy, and effective teaching and learning environment;

(viii) understanding strategies for assisting with the inclusion of students in various settings;

(ix) the ability to use strategies that promote the student's independence;

(x) understanding applicable laws, rules, and regulations, and procedural safeguards regarding the management of student behaviors;

(xi) awareness of the primary factors that influence student behavior;

(xii) the ability to effectively employ a variety of strategies that reinforce positive behavior;

(xiii) the ability to use ethical practices for confidential communication about students;

(xiv) the ability to follow teacher instructions while conferring and collaborating with teachers about student schedules, instructional goals, and performance;

(xv) demonstrating a commitment to assisting students in reaching the students' highest potential, including the modeling of positive behavior;

(xvi) showing respect for the diversity of students;

(xvii) showing a willingness to participate in ongoing staff development and self-evaluation and to apply constructive feedback;

(xviii) supporting and reinforcing the instruction of students in mathematics following written and oral lesson plans developed by licensed teachers;

(xix) supporting and reinforcing the instruction of students in reading following written and oral lesson plans developed by licensed teachers. Professional development required under the Read Act in section 120B.123 exceeds this requirement; and

(xx) supporting and reinforcing the instruction of students in writing following written and oral lesson plans developed by licensed teachers.

(b) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 200.58, if the paraprofessional:

(1) has at least two years of college credits from an accredited institution of higher education, or an associate's degree or higher; or

(2) met a rigorous standard of quality and can demonstrate, through a formal state or local academic assessment, knowledge of and the ability to assist in instructing, as appropriate:

(i) reading or language arts, writing, and mathematics; or

(ii) reading readiness, writing readiness, and mathematics readiness.

(c) Upon request from a paraprofessional employed by a school district, charter school, or cooperative unit providing direct instructional services, the school district, charter school, or cooperative unit may provide administrative assistance to the paraprofessional when completing requirements related to the competencies required under this subdivision.

(d) A paraprofessional who demonstrates the competencies listed in paragraph (a), clause (3), must be deemed to have satisfied the requirements of Code of Federal Regulations, title 34, section 200.58(c)(3)(i), when the paraprofessional's employing district or charter school validates the paraprofessional's demonstration of the competencies. The department must provide guidance to district and charter school leaders no later than August 1, 2026, on possible ways to validate these competencies and may update the guidance as needed. A district or charter school must maintain the paraprofessional's completed assessment and documentation that the paraprofessional demonstrated the required competencies in the paraprofessional's personnel file and make the records available to department and federal reviewers upon request.

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

Sec. 2. Minnesota Statutes 2024, section 124D.83, is amended by adding a subdivision to read:

Subd. 4a. **Permanent school fund aid.** (a) A Tribal contract school's permanent school fund aid equals the per pupil apportionment under section 127A.33 for that year times the average daily membership served of the Tribal contract school in the prior fiscal year.

(b) The commissioner shall pay the permanent school fund aid to the Tribal contract schools in the same manner as the aid is paid to school districts under section 127A.33.

(c) There is annually appropriated from the general fund to the Department of Education the amounts necessary for permanent school fund aid under paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2027, for state aid for fiscal year 2028 and later if the constitutional amendment proposed in H. F. 3900, or a similarly styled bill, is adopted by the voters.

Sec. 3. Minnesota Statutes 2024, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may be used only for the following purposes:

(1) to acquire land for school purposes;

(2) to acquire or construct buildings for school purposes;

(3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;

(4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers and gender-neutral single-user restrooms, locker room privacy stalls, or other spaces with privacy features, including single-user shower stalls, changing stalls, or other single-user facilities;

(5) for a surplus school building that is used substantially for a public nonschool purpose;

(6) to eliminate barriers or increase access to school buildings by individuals with a disability;

(7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;

(8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;

(11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;

(12) to improve buildings that are leased according to section 123B.51, subdivision 4;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to 298.297;

(15) to purchase or lease interactive telecommunications equipment;

(16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;

(17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;

(18) to purchase or lease computers and related hardware, software, and annual licensing fees, copying machines, telecommunications equipment, and other noninstructional equipment;

(19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks as defined in section 123B.41, subdivision 2;

(21) to purchase new and replacement library media resources or technology;

(22) to lease or purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(ii) managing student assessment, services, and achievement information required for students with individualized education programs; and

(iii) other classroom information management needs;

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software;

(25) to pay the costs directly associated with closing a school facility, including moving and storage costs;

(26) to pay the costs of supplies and equipment necessary to provide access to menstrual products at no charge to students in restrooms and as otherwise needed in school facilities; ~~and~~

(27) to pay the costs of the opiate antagonists required under section 121A.224~~.~~; and

(28) to pay utility service costs.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2027 and later.

Sec. 4. Laws 2023, chapter 55, article 8, section 19, subdivision 5, as amended by Laws 2024, chapter 115, article 8, section 4, is amended to read:

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

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

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner. The commissioner must award at least one grant under this subdivision to Independent School District No. 709, Duluth, for a demonstration grant for a project awaiting construction.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to $75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the committees of the legislature with jurisdiction over education on the number of grants that were awarded each year and the number of grant applications that were unfunded during that year.

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

(g) These appropriations are available until June 30, 2029.

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

Sec. 5. Laws 2025, First Special Session chapter 10, article 8, section 18, subdivision 5, is amended to read:

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

$1,000,000	.....	2026
$1,000,000	.....	2027

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to $75,000 of the appropriation in each year is available for grant administration.

(e) By February 1 of each even-numbered year, the commissioner must ~~annually~~ report to the legislative committees with jurisdiction over kindergarten through grade 12 education on the number of grants that were awarded each year and the number of grant applications that were unfunded each year.

(f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(g) These appropriations are available until June 30, 2031.

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

Sec. 6. **SCHOOL DISTRICT FUND TRANSFERS.**

Subdivision 1. **West St. Paul-Mendota Heights-Eagan.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 475.61, subdivision 4, on June 30, 2026, Independent School District No. 197, West St. Paul-Mendota Heights-Eagan, may permanently transfer up to $4,500,000 from its building construction fund to the reserved account for operating capital in the general fund without making a levy reduction, provided that the school board approves the transfer.

Subd. 2. **Maple Lake Public Schools.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 475.61, subdivision 4, on June 30, 2026, Independent School District No. 881, Maple Lake Public Schools, may permanently transfer up to $1,800,000 from its building construction fund to the reserved account for operating capital in the general fund without making a levy reduction, provided that the school board approves the transfer.

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

Page 1, line 14, after "EDUCATION" insert "FORECAST ADJUSTMENTS"

Renumber the articles in sequence

Amend the title as follows:

Page 1, line 2, delete "forecast adjustments;" and insert "government aids; clarifying paraprofessional qualifications; providing for permanent school fund aid for Tribal contract schools; authorizing certain school district fund transfers;" and delete "to prekindergarten" and insert "for the Department of Education, Department of Human Services,"

Page 1, line 3, delete everything before "Department"

Correct the title numbers accordingly

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

Senate Conferees: MARY KUNESH, STEVE CWODZINSKI, DORON CLARK and JASON RARICK.

House Conferees: CHERYL YOUAKIM, MOHAMUD NOOR, RON KRESHA and JOE SCHOMACKER.

Youakim moved that the report of the Conference Committee on S. F. No. 4282 be adopted and that the bill be repassed as amended by the Conference Committee.

Mueller moved that the House refuse to adopt the report of the Conference Committee on S. F. No. 4282 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Mueller motion and the roll was called. There were 62 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Allen	Dotseth	Jacob	Myers	Repinski	Torkelson
Altendorf	Duran	Johnson, W.	Nadeau	Roach	Van Binsbergen
Anderson, P. E.	Engen	Joy	Nash	Robbins	Warwas
Backer	Fogelman	Knudsen	Nelson	Rymer	West
Bakeberg	Franson	Koznick	Niska	Schultz	Wiener
Baker	Gander	Kresha	Novotny	Schwartz	Witte
Bennett	Gillman	Lawrence	O'Driscoll	Scott	Zeleznikar
Bliss	Gordon	McDonald	Olson	Sexton	
Burkel	Harder	Mekeland	Perryman	Skraba	
Davis	Heintzeman	Mueller	Quam	Stier	
Dippel	Hudson	Murphy	Rarick	Swedzinski	

Those who voted in the negative were:

Acomb	Bierman	Coulter	Feist	Freiberg	Hansen, R.
Agbaje	Buck	Curran	Finke	Gomez	Hanson, J.
Anderson, P. H.	Carroll	Davids	Fischer	Gottfried	Hicks
Bahner	Cha	Elkins	Frazier	Greene	Hill
Berg	Clardy	Falconer	Frederick	Greenman	Hollins

Howard	Keeler	Lee, K.	Moller	Rehm	Tabke
Huot	Klevorn	Lee, X.	Momanyi-Hiltsley	Rehrauer	Vang
Hussein	Koegel	Liebling	Noor	Reyer	Virnig
Igo	Kotyza-Witthuhn	Lillie	Norris	Schomacker	Wolgamott
Johnson, P.	Kozlowski	Long	Pérez-Vega	Sencer-Mura	Xiong
Jones	Kraft	Luger-Nikolai	Pinto	Smith	Youakim
Jordan	Lee, F.	Mahamoud	Pursell	Stephenson	Spk. Demuth

The motion did not prevail.

The question recurred on the Youakim motion that the report of the Conference Committee on S. F. No. 4282 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 4282, A bill for an act relating to education finance; making forecast adjustments to prekindergarten through grade 12 education programs; appropriating money; amending Laws 2025, First Special Session chapter 10, article 1, section 28, subdivisions 2, 3, 5, 8, 10, 11, 12; article 2, section 24, subdivisions 2, 14, 15, 24; article 3, section 15, subdivisions 3, 13; article 5, section 19, subdivision 2; article 6, section 6, subdivisions 2, 7; article 7, section 11, subdivisions 2, 4, 7, 8, 9; article 8, section 18, subdivisions 3, 6; article 9, section 11, subdivisions 2, 3, 4, 6, 10; article 10, section 10, subdivisions 3, 4, 6; article 11, section 2, subdivisions 2, 4.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 94 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Hill	Kresha	Noor	Smith
Agbaje	Falconer	Hollins	Lee, F.	Norris	Stephenson
Allen	Feist	Howard	Lee, K.	O'Driscoll	Tabke
Anderson, P. E.	Finke	Huot	Lee, X.	Pérez-Vega	Torkelson
Anderson, P. H.	Fischer	Hussein	Liebling	Perryman	Vang
Bahner	Frazier	Igo	Lillie	Pinto	Virnig
Baker	Frederick	Johnson, P.	Long	Pursell	Warwas
Berg	Freiberg	Johnson, W.	Luger-Nikolai	Rehm	West
Bierman	Gomez	Jones	Mahamoud	Rehrauer	Witte
Buck	Gottfried	Jordan	McDonald	Repinski	Wolgamott
Carroll	Greene	Keeler	Moller	Reyer	Xiong
Cha	Greenman	Klevorn	Momanyi-Hiltsley	Schomacker	Youakim
Clardy	Hansen, R.	Koegel	Myers	Schwartz	Zeleznikar
Coulter	Hanson, J.	Kotyza-Witthuhn	Nadeau	Scott	Spk. Demuth
Curran	Heintzeman	Kozlowski	Nash	Sencer-Mura	
Davids	Hicks	Kraft	Niska	Skraba	

Those who voted in the negative were:

Altendorf	Dotseth	Gordon	Mekeland	Roach	Van Binsbergen
Bakeberg	Duran	Harder	Mueller	Robbins	Wiener
Bennett	Engen	Hudson	Murphy	Rymer	
Bliss	Fogelman	Jacob	Nelson	Schultz	
Burkel	Franson	Joy	Novotny	Sexton	
Davis	Gander	Knudsen	Olson	Stier	
Dippel	Gillman	Lawrence	Quam	Swedzinski	

The bill was repassed, as amended by Conference, and its title agreed to.

MESSAGES FROM THE SENATE, Continued

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. 4138, A bill for an act relating to civil law; establishing requirements for social media platforms related to accounts for minors; establishing enforcement mechanisms for regulations on child social media accounts; providing for social media behavioral threat assessment and reporting; amending Minnesota Statutes 2024, sections 325M.31; 325M.33; proposing coding for new law in Minnesota Statutes, chapter 325M.

THOMAS S. BOTTERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Scott moved that the House concur in the Senate amendments to H. F. No. 4138 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 4138, A bill for an act relating to civil law; establishing requirements for social media platforms related to accounts for minors; establishing enforcement mechanisms for regulations on child social media accounts; providing for social media behavioral threat assessment and reporting; amending Minnesota Statutes 2024, sections 325M.31; 325M.33; proposing coding for new law in Minnesota Statutes, chapter 325M.

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 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Acomb	Carroll	Fischer	Heintzeman	Keeler	Long
Agbaje	Cha	Fogelman	Hicks	Klevorn	Luger-Nikolai
Allen	Clardy	Franson	Hill	Knudsen	Mahamoud
Altendorf	Coulter	Frazier	Hollins	Koegel	McDonald
Anderson, P. E.	Curran	Frederick	Howard	Kotyza-Witthuhn	Mekeland
Anderson, P. H.	Davids	Freiberg	Hudson	Kozlowski	Moller
Backer	Davis	Gander	Huot	Koznick	Momanyi-Hiltsley
Bakeberg	Dippel	Gillman	Hussein	Kraft	Mueller
Baker	Dotseth	Gomez	Igo	Kresha	Murphy
Bennett	Duran	Gottfried	Jacob	Lawrence	Myers
Berg	Elkins	Greene	Johnson, P.	Lee, F.	Nadeau
Bierman	Engen	Greenman	Johnson, W.	Lee, K.	Nash
Bliss	Falconer	Hansen, R.	Jones	Lee, X.	Nelson
Buck	Feist	Hanson, J.	Jordan	Liebling	Niska
Burkel	Finke	Harder	Joy	Lillie	Noor

Norris	Pursell	Roach	Sexton	Torkelson	Witte
Novotny	Quam	Robbins	Skraba	Van Binsbergen	Wolgamott
O'Driscoll	Rarick	Schomacker	Smith	Vang	Xiong
Olson	Rehm	Schultz	Stephenson	Virnig	Youakim
Pérez-Vega	Rehrauer	Schwartz	Stier	Warwas	Zeleznikar
Perryman	Repinski	Scott	Swedzinski	West	Spk. Demuth
Pinto	Reyer	Sencer-Mura	Tabke	Wiener	

Those who voted in the negative were:

Gordon	Rymer

The bill was repassed, as amended by the Senate, and its title agreed to.

CALENDAR FOR THE DAY

S. F. No. 2373 was reported to the House.

Baker moved to amend S. F. No. 2373, the fourth engrossment, as follows:

Page 3, line 7, delete "and who is" and insert ". This paragraph applies only during the period in which the individual is covered by and"

Page 9, after line 13, insert:

"Sec. 10. **APPROPRIATION; AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.**

$80,000 in fiscal year 2026 is appropriated from the general fund to the Agricultural Utilization Research Institute for legal costs. This is a onetime appropriation and is available until June 30, 2029.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Baker moved to amend the Baker amendment to S. F. No. 2373, the fourth engrossment, as follows:

Page 1, before line 5, insert:

"Sec. 9. **RURAL CANCER INSTITUTE PILOT PROGRAM APPROPRIATION MODIFICATION.**

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

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

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

The motion prevailed and the amendment to the amendment was adopted.

Rehrauer moved to amend the Baker amendment, as amended, to S. F. No. 2373, the fourth engrossment, as follows:

Page 1, before line 5, insert:

"Sec. 7. **EXTENDED EMPLOYMENT.**

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

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

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

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

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

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

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

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

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Johnson, P., moved to amend the Baker amendment, as amended, to S. F. No. 2373, the fourth engrossment, as follows:

Page 1, before line 5, insert:

"Sec. 9. **IRON ORE MINING ADDITIONAL UNEMPLOYMENT BENEFITS PROGRAM.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Anderson, P. H., moved to amend the Baker amendment, as amended, to S. F. No. 2373, the fourth engrossment, as follows:

Page 1, before line 2, insert:

"Page 1, before line 10, insert:

"Section 1. Minnesota Statutes 2025 Supplement, section 17.133, subdivision 1, is amended to read:

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

(b) "Eligible farmer" means an individual who at the time that the grant is awarded:

(1) is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;

(2) grosses no more than $250,000 per year from the sale of farm products;

(3) has earned at least $1,000 in farm income or has evidence of farming experience;

(4) has a net worth that does not exceed the limit under section 41B.03, subdivision 3, paragraph (a), clause (2);

~~(3)~~ (5) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland; and

~~(4)~~ (6) is not, and whose spouse is not, a family member of the owner of the farmland that the individual intends to acquire. "Family member" has the meaning given in section 267(c)(4) of the Internal Revenue Code.

(c) "Evidence of farming experience" means that an individual has:

(1) completed an approved farm business management program;

(2) a four-year degree in an agriculture-related field; or

(3) at least three years of experience managing a comparable farm.

~~(c)~~ (d) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

~~(d)~~ (e) "Incubator farm" means a farm where:

(1) individuals are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purpose of honing skills and launching a farm business; and

(2) a majority of the individuals farming the small parcels of land grow industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops.

~~(e)~~ (f) "Limited land access" means farming without ownership of land and:

(1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or

(2) the individual rents the land from an incubator farm.

~~(f)~~ (g) "Limited market access" means the individual has gross sales of no more than $100,000 per year from the sale of farm products.

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

Sec. 2. Minnesota Statutes 2025 Supplement, section 17.133, subdivision 2, is amended to read:

Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants of up to ~~$20,000~~ 30 percent of the purchase price of a farm, with a maximum grant of $30,000 per eligible farmer. Each award must be matched with at least $8,000 of other funding. Grants under this subdivision may be awarded by a randomized selection process after applications are collected over a period of no less than 30 calendar days. An eligible farmer must commit to own and farm the land purchased with assistance provided under this section for at least five years. For the first five years, each recipient must verify gross farm income of at least $1,000 or demonstrate investment of at least $1,000 in farm business infrastructure, equipment, perennial crops, or livestock. For each year that a grant recipient does not own and farm the land during the five-year period, the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

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

Page 1, before line 5, insert:

"Sec. 9. Laws 2023, chapter 43, article 1, section 2, subdivision 5, as amended by Laws 2024, chapter 126, article 1, section 1, subdivision 5, is amended to read:

Subd. 5. **Administration and Financial Assistance**	16,643,000	14,587,000

(a) $474,000 the first year and $474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) $350,000 the first year and $350,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is $250,000 in fiscal year 2026 and each year thereafter.

(c) $2,000 the first year is for a grant to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) $18,000 the first year and $18,000 the second year are for grants to the Minnesota Livestock Breeders Association. This is a onetime appropriation.

(e) $60,000 the first year and $60,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. This is a onetime appropriation.

(f) $34,000 the first year and $34,000 the second year are for grants to the Minnesota State Horticultural Society. This is a onetime appropriation.

(g) $25,000 the first year and $25,000 the second year are for grants to the Center for Rural Policy and Development. This is a onetime appropriation.

(h) $75,000 the first year and $75,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2025, the council must submit the report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture finance and policy. This is a onetime appropriation.

(i) $100,000 the first year and $100,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2024, and December 1, 2025, GreenSeam must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

(j) $1,950,000 the first year and $1,950,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following purposes:

(1) at least $850,000 each year must be allocated to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed. The base for this appropriation is $1,700,000 for fiscal year 2026 and each year thereafter.

(k) $25,000 the first year and $25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(l) $300,000 the first year and $300,000 the second year are for grants to The Good Acre for the Local Emergency Assistance Farmer Fund (LEAFF) program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota. This is a onetime appropriation.

(m) $750,000 the first year and $750,000 the second year are to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the Emerging Farmer Working Group established under Minnesota Statutes, section 17.055, subdivision 1. The base for this appropriation is $1,000,000 in fiscal year 2026 and each year thereafter.

(n) $50,000 the first year is to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.

(o) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(p) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

(q) $1,000,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(r) $1,084,000 the first year and $500,000 the second year are to support IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. This is a onetime appropriation.

(s) $275,000 the first year is for technical assistance grants to certified community development financial institutions that participate in United States Department of Agriculture loan or grant programs for small or emerging farmers, including but not limited to the Increasing Land, Capital, and Market Access Program. For purposes of this paragraph, "emerging farmer" has the meaning given in Minnesota Statutes, section 17.055, subdivision 1. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(t) $1,425,000 the first year and $1,425,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117.

(u) $150,000 the first year and $150,000 the second year are for administrative support for the Rural Finance Authority.

(v) The base in fiscal years 2026 and 2027 is $150,000 each year to coordinate climate-related activities and services within the Department of Agriculture and counterparts in local, state, and federal agencies and to hire a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.

(w) $1,200,000 the first year and $930,000 the second year are to maintain the current level of service delivery. The base for this appropriation is $1,065,000 in fiscal year 2026 and $1,065,000 in fiscal year 2027 and each year thereafter.

(x) $250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report

expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with a report submitted by January 3, 2024, and a final report submitted by December 31, 2024. The reports must include a list of equipment purchased, including the cost of each item.

(y) $1,000,000 the first year and $1,000,000 the second year are to award and administer down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than $100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2025, are available until June 30, 2027.

(z) $222,000 the first year and $322,000 the second year are for meat processing training and retention incentive grants under section 5. By December 1 each year in 2026, 2027, and 2028, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy detailing uses of the funds in this paragraph, including award amounts to each partner organization, how much of each award was used, the types of expenses paid for with the funds, and the number of employees served. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation and is available until June 30, 2028.

(aa) $300,000 the first year and $300,000 the second year are for transfer to the Board of Regents of the University of Minnesota to evaluate, propagate, and maintain the genetic diversity of oilseeds, grains, grasses, legumes, and other plants including flax, timothy, barley, rye, triticale, alfalfa, orchard grass, clover, and other species and varieties that were in commercial distribution and use in Minnesota before 1970, excluding wild rice. This effort must also protect traditional seeds brought to Minnesota by immigrant communities. This appropriation includes funding for associated extension and outreach to small and Black, Indigenous, and People of Color (BIPOC) farmers. This is a onetime appropriation.

(bb) $300,000 the second year is to award and administer beginning farmer equipment and infrastructure grants under Minnesota Statutes, section 17.055. This is a onetime appropriation.

(cc) $25,000 the first year is for the credit market report. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(dd) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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

Sec. 10. Laws 2025, chapter 34, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation** **$58,957,000** **~~$56,052,000~~ 56,352,000**

Appropriations by Fund

	2026	2027
General	58,558,000	~~55,653,000~~ 55,953,000
Remediation	399,000	399,000

The amounts that may be spent for each purpose are specified in the following subdivisions. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, unless otherwise specified in this section, the commissioner of agriculture may use up to 7.5 percent of money appropriated for costs incurred to administer the Department of Agriculture's grant and financial assistance programs.

Sec. 11. Laws 2025, chapter 34, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Protection Services**

Appropriations by Fund

General	20,828,000	~~21,207,000~~ 21,507,000
Remediation	399,000	399,000

(a) $399,000 the first year and $399,000 the second year are from the remediation fund for administrative funding of the voluntary cleanup program.

(b) $639,000 the first year and $639,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than $50,000 of the appropriation each year to a single recipient. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2027, for soil health financial assistance grants are available until June 30, 2029.

(c) $275,000 the first year and $250,000 the second year are for compensation for livestock destroyed or crippled by a wolf under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2025. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal money to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff. The base for this appropriation is $175,000 in fiscal year 2028 and each year thereafter.

(d) $255,000 the first year and $230,000 the second year are for compensation for crop or fence damage caused by elk under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to $40,000 of the appropriation each year for grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. The base for this appropriation is $155,000 in fiscal year 2028 and each year thereafter.

(e) $300,000 the second year is for unpaid claims made under Minnesota Statutes, section 3.737 or 3.7371 submitted prior to July 1, 2026. This is a onetime appropriation.

~~(e)~~ (f) $825,000 the first year and $825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

~~(f)~~ (g) $750,000 the first year and $750,000 the second year are for additional meat and poultry inspection services. The commissioner is encouraged to seek inspection waivers, match federal money, and offer more online inspections for the purposes of this paragraph. This is a onetime appropriation.

~~(g)~~ (h) $500,000 the first year and $500,000 the second year are for grants to counties to support county agricultural inspectors. The commissioner may use up to three percent of the appropriation each year for administration. This is a onetime appropriation. County agricultural inspectors and county-designated employees must annually submit an application, on a form approved by the commissioner, to be eligible for funding during a given year. The commissioner must equally divide available grant money among eligible counties. To be eligible for grants under this section, a county must employ a county agricultural inspector or a county-designated employee who:

(1) has attended training for new county agricultural inspectors offered by the commissioner;

(2) coordinates with the commissioner to review applicable laws and enforcement procedures;

(3) compiles and submits to the commissioner local weed inspector annual report data;

(4) conducts an annual meeting and training for local weed inspectors; and

(5) assists the commissioner with control programs and other agricultural programs when requested under Minnesota Statutes, section 18.81, subdivision 1b, as directed by the county board.

~~(h)~~ (i) $250,000 the first year and $250,000 the second year are appropriated to establish and administer the biofertilizer innovation and efficiency program under Minnesota Statutes, section 18C.113. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of fiscal year 2026 does not cancel and is available until June 30, 2027. This is a onetime appropriation.

(j) $75,000 the first year is to conduct an evaluation of the practice performance and economic performance of the Olmsted County groundwater protection and soil health initiative, including the cover crop program, alternative crops program, and haying,

grazing, and pasture enhancement program. The evaluation must look at environmental outcomes, include a cost-benefit analysis, and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027. The commissioner may contract with an independent third party to conduct the evaluation.

(k) $420,000 the first year and $924,000 the second year are to support current services.

Sec. 12. Laws 2025, chapter 34, article 1, section 2, subdivision 3, as amended by Laws 2025, First Special Session chapter 11, section 11, is amended to read:

Subd. 3. **Agricultural Marketing and Development** 23,551,000 23,301,000

(a) $634,000 the first year and $634,000 the second year are for the continuation of the dairy development and profitability enhancement program, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(b) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

(c) $100,000 the first year and $100,000 the second year are for mental health outreach and support to farmers, ranchers, farm workers and employees, and others in the agricultural community and profession and for farm and farm worker safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is $50,000 in fiscal year 2028 and each year thereafter.

(d) $700,000 the first year and ~~$700,000~~ $1,000,000 the second year are for the local food purchasing assistance grant program under article 3, section 35. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is $700,000 in fiscal year 2028 and each year thereafter.

(e) $18,257,000 the first year and ~~$18,007,000~~ $17,707,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The base for this appropriation is $17,449,000 in fiscal year 2028 and each year thereafter.

(f) Except as provided in paragraph (g), the commissioner may allocate the appropriation in paragraph (e) each year among the following areas: facilitating the startup, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the startup, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; supporting the commercialization of an innovative material additive utilizing agricultural coproducts or waste streams to produce fiber-based barrier packaging to reduce perfluoroalkyl and polyfluoroalkyl substances (PFAS) and plastics in packaging products; and good agricultural practices and good handling practices certification assistance. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 7.5 percent of the appropriation in paragraph (e) for costs incurred to administer the program.

(g) Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) $1,000,000 the first year and $1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) $3,000,000 the first year and $3,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) $2,750,000 the first year and $2,750,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under

Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) $350,000 the first year and $250,000 the second year are for grants to facilitate the startup, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000;

(5) $1,594,000 the first year and $1,544,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Of the amount appropriated, $150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base for this appropriation is $1,636,000 in fiscal year 2028 and each year thereafter. At the commissioner's discretion, for state administration of federal cooperative agreements for purchasing Minnesota grown and raised foods for schools, child care providers, food banks, and other institutions, the commissioner may use an amount of state funds equal to no more than 7.5 percent of the total federal funds awarded to the state. The commissioner shall expend any available federal administrative funds awarded for this purpose before using state funds;

(6) up to $1,750,000 the first year and up to $1,750,000 the second year are for grants to facilitate the development of urban agriculture, including projects related to youth education, community and economic development, value-added processing, and vocational training;

(7) $1,000,000 the first year and $1,000,000 the second year are for the food retail improvement and development program under Minnesota Statutes, section 17.1017;

(8) up to $200,000 the first year and up to $200,000 the second year are for cooperative development grants under Minnesota Statutes, section 17.1016;

(9) $250,000 the first year and $150,000 the second year are for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this clause, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to $2,000 to cover time and labor costs. This is a onetime appropriation; and

(10) up to $525,000 the first year and up to $525,000 the second year are to award AGRI Works grants to institutions and organizations to provide regional and statewide services. Preference shall be given to legislatively created entities and organizations that enhance agricultural, horticultural, or rural community and economic development, marketing, and promotion, and research and education. A grant award under this clause must not exceed $200,000. Grants made under this paragraph are subject to the requirements in Minnesota Statutes, sections 16B.98 and 16B.981. This is a onetime appropriation.

(h) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph (e) does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, 2029, for agricultural growth, research, and innovation grants are available until June 30, 2032. At the end of fiscal year 2027, the commissioner must prioritize any money resulting from canceled contracts to be used for AGRI Works grants under paragraph (g), clause (10).

Sec. 13. Laws 2025, chapter 34, article 1, section 2, subdivision 4, as amended by Laws 2025, First Special Session chapter 11, section 12, is amended to read:

Subd. 4. **Administration and Financial Assistance**	14,179,000	11,145,000

(a) $474,000 the first year and $474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and

associations must be disbursed no later than July 15 each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) $300,000 the first year and $300,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is $250,000 in fiscal year 2028 and each year thereafter.

(c) $1,250,000 the first year ~~and $1,250,000 the second year are~~ is to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than $100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and ~~appropriations encumbered under contract by June 30, 2027, are~~ any unencumbered balance at the end of the second year does not cancel and is available until June 30, 2029. ~~The base for this appropriation is $1,000,000 in fiscal year 2028 and each year thereafter.~~

(d) $1,000,000 the first year and $1,000,000 the second year are for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased with grant money must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. The commissioner may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this paragraph may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year.

(e) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm

operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 7.5 percent of the grant awarded under this paragraph for administration.

(f) $1,000,000 the first year and $1,000,000 the second year are to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

(g) $137,000 the first year and $203,000 the second year are to support current services.

(h) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(i) $3,000,000 the first year is for transfer to the Public Facilities Authority for a grant to First District Association to acquire land for and to design, engineer, construct, equip, and furnish a wastewater treatment project. This appropriation is in addition to the appropriation in Laws 2023, chapter 71, article 1, section 15, subdivision 7. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

~~(k)~~ (j) $50,000 the first year is to be awarded as a grant in a competitive bid process to an entity that is not a for-profit entity to conduct a study of market and workforce factors that may contribute to the incorrect marking for the installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities. The study must include recommendations to the legislature and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027.

~~(r)~~ (k) $50,000 the first year is to conduct a study and develop recommendations for establishing an incentive-based program to support and encourage agricultural retailers in promoting 4R nutrient management practices. The 4R nutrient management practices include: the right source of nutrients, at the right rate and right time, in the right place.

(1) As part of the study, the department must evaluate strategies for leveraging cost-share programs, including the feasibility of coordinating with the Agricultural Water Quality Certification Program and other efforts related to the state's Nutrient Reduction Strategy.

(2) The commissioner must submit a report detailing its findings, including potential funding sources and proposal outlines for funding requests where appropriate. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment by March 15, 2026.

(l) $1,250,000 the second year is to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with annual gross farm product sales between $1,000 and $100,000. Of this appropriation, up to 25 percent may be awarded by lottery to priority applicants who possess a purchase agreement as of June 30, 2026. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the second year does not cancel and is available until June 30, 2030. The base for this appropriation is $1,000,000 in fiscal year 2028 and each year thereafter.

~~(s)~~ (m) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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

Sec. 14. Laws 2025, chapter 34, article 1, section 7, is amended to read:

Sec. 7. **CANCELLATIONS.**

(a) ~~$3,000,000~~ $3,300,000 of the appropriation in fiscal year 2024 from the general fund for green fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled to the general fund by June 30, 2025.

(b) $1,000,000 of the fiscal year 2025 general fund appropriation for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, that was allocated for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants under Laws 2024, chapter 126, article 1, section 1, subdivision 4, paragraph (d), clause (6), is canceled to the general fund by June 30, 2025."

A roll call was requested and properly seconded.

The question was taken on the Anderson, P. H., amendment to the Baker amendment, as amended, and the roll was called. There were 61 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Allen	Dippel	Jacob	Nadeau	Robbins	Van Binsbergen
Altendorf	Dotseth	Johnson, W.	Nash	Rymer	Warwas
Anderson, P. E.	Duran	Joy	Nelson	Schomacker	West
Anderson, P. H.	Engen	Knudsen	Niska	Schultz	Witte
Backer	Franson	Koznick	Novotny	Schwartz	Zeleznikar
Bakeberg	Gander	Kresha	O'Driscoll	Scott	Spk. Demuth
Baker	Gillman	Lawrence	Olson	Sexton	
Bennett	Harder	McDonald	Perryman	Skraba	
Bliss	Heintzeman	Mekeland	Quam	Stier	
Burkel	Hudson	Mueller	Rarick	Swedzinski	
Davids	Igo	Myers	Repinski	Torkelson	

Those who voted in the negative were:

Acomb	Elkins	Greene	Jordan	Long	Reyer
Agbaje	Falconer	Greenman	Keeler	Luger-Nikolai	Roach
Bahner	Feist	Hansen, R.	Klevorn	Mahamoud	Sencer-Mura
Berg	Finke	Hanson, J.	Koegel	Moller	Smith
Bierman	Fischer	Hicks	Kotyza-Witthuhn	Murphy	Stephenson
Buck	Fogelman	Hill	Kozlowski	Noor	Tabke
Carroll	Frazier	Hollins	Kraft	Norris	Vang
Cha	Frederick	Howard	Lee, F.	Pérez-Vega	Virnig
Clardy	Freiberg	Huot	Lee, K.	Pinto	Wiener
Coulter	Gomez	Hussein	Lee, X.	Pursell	Wolgamott
Curran	Gordon	Johnson, P.	Liebling	Rehm	Xiong
Davis	Gottfried	Jones	Lillie	Rehrauer	Youakim

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Schultz moved to amend the Baker amendment, as amended, to S. F. No. 2373, the fourth engrossment, as follows:

Page 1, before line 2, insert:

"Page 1, before line 10, insert:

"Section 1. Minnesota Statutes 2024, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. All perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae~~,~~ and entry into the premises by free-roaming Cervidae~~, and physical contact between farmed Cervidae and free-roaming Cervidae~~. The Board of Animal Health or commissioner of natural resources may determine whether the construction and maintenance of fencing is adequate to prevent ~~physical contact or~~ escape under this subdivision and may compel corrective action when fencing is determined to be inadequate. All new fencing installed and all fencing used to repair deficiencies must be high tensile. All entry

areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must immediately repair the deficiency. All other deficiencies must be repaired within a reasonable time, as determined by the Board of Animal Health, not to exceed 14 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.""

A roll call was requested and properly seconded.

The question was taken on the Schultz amendment to the Baker amendment, as amended, and the roll was called. There were 65 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Allen	Davis	Hudson	Mueller	Rarick	Stier
Altendorf	Dippel	Igo	Murphy	Repinski	Swedzinski
Anderson, P. E.	Dotseth	Jacob	Nadeau	Roach	Torkelson
Anderson, P. H.	Duran	Johnson, W.	Nash	Robbins	Van Binsbergen
Backer	Engen	Joy	Nelson	Rymer	Warwas
Bakeberg	Fogelman	Knudsen	Niska	Schomacker	West
Baker	Franson	Koznick	Novotny	Schultz	Wiener
Bennett	Gander	Kresha	O'Driscoll	Schwartz	Witte
Bliss	Gillman	Lawrence	Olson	Scott	Zeleznikar
Burkel	Gordon	McDonald	Perryman	Sexton	Spk. Demuth
Davids	Harder	Mekeland	Quam	Skraba	

Those who voted in the negative were:

Acomb	Falconer	Hanson, J.	Koegel	Moller	Smith
Agbaje	Feist	Hicks	Kotyza-Witthuhn	Momanyi-Hiltsley	Stephenson
Bahner	Finke	Hill	Kozlowski	Myers	Tabke
Berg	Fischer	Hollins	Kraft	Noor	Vang
Bierman	Frazier	Howard	Lee, F.	Norris	Virnig
Buck	Frederick	Huot	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Hussein	Lee, X.	Pinto	Xiong
Cha	Gomez	Johnson, P.	Liebling	Pursell	Youakim
Clardy	Gottfried	Jones	Lillie	Rehm	
Coulter	Greene	Jordan	Long	Rehrauer	
Curran	Greenman	Keeler	Luger-Nikolai	Reyer	
Elkins	Hansen, R.	Klevorn	Mahamoud	Sencer-Mura	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

The question recurred on the Baker amendment, as amended, and the roll was called. There were 125 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Acomb	Altendorf	Backer	Baker	Bierman	Burkel
Agbaje	Anderson, P. E.	Bahner	Bennett	Bliss	Carroll
Allen	Anderson, P. H.	Bakeberg	Berg	Buck	Cha

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

Those who voted in the negative were:

Davis	Fogelman	Jacob	Roach
Dippel	Gordon	Murphy	Wiener

The motion prevailed and the amendment, as amended, was adopted.

Lawrence was excused between the hours of 2:25 p.m. and 9:00 p.m.

The Speaker called Olson to the Chair.

S. F. No. 2373, A bill for an act relating to labor and industry; exempting minor league baseball players from minimum wage and overtime requirements; modifying construction codes and licensing provisions; amending Minnesota Statutes 2024, sections 177.23, subdivision 7; 326B.107, subdivision 2; 326B.32, subdivision 2; 326B.33, subdivisions 4, 19; 326B.36, subdivision 3; 326B.37, subdivision 7; Minnesota Statutes 2025 Supplement, section 326B.37, subdivisions 5, 6; repealing Minnesota Statutes 2024, sections 326B.31, subdivision 7; 326B.33, subdivisions 3, 5, 6.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 107 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Acomb	Bakeberg	Carroll	Dotseth	Fischer	Gomez
Agbaje	Baker	Cha	Duran	Franson	Gottfried
Allen	Berg	Clardy	Elkins	Frazier	Greene
Anderson, P. E.	Bierman	Coulter	Falconer	Frederick	Greenman
Anderson, P. H.	Bliss	Curran	Feist	Freiberg	Hansen, R.
Bahner	Buck	Davids	Finke	Gillman	Hanson, J.

Heintzeman	Jordan	Liebling	Niska	Reyer	Torkelson
Hicks	Keeler	Lillie	Noor	Robbins	Vang
Hill	Klevorn	Long	Norris	Schomacker	Virnig
Hollins	Koegel	Luger-Nikolai	Novotny	Schwartz	Warwas
Howard	Kotyza-Witthuhn	Mahamoud	O'Driscoll	Scott	West
Hudson	Kozlowski	Moller	Pérez-Vega	Sencer-Mura	Witte
Huot	Koznick	Momanyi-Hiltsley	Perryman	Sexton	Wolgamott
Hussein	Kraft	Mueller	Pinto	Skraba	Xiong
Igo	Kresha	Myers	Pursell	Smith	Youakim
Johnson, P.	Lee, F.	Nadeau	Rehm	Stephenson	Zeleznikar
Johnson, W.	Lee, K.	Nash	Rehrauer	Swedzinski	Spk. Demuth
Jones	Lee, X.	Nelson	Repinski	Tabke	

Those who voted in the negative were:

Altendorf	Dippel	Harder	Mekeland	Rymer
Backer	Engen	Jacob	Murphy	Schultz
Bennett	Fogelman	Joy	Olson	Stier
Burkel	Gander	Knudsen	Quam	Van Binsbergen
Davis	Gordon	McDonald	Roach	Wiener

The bill was passed, as amended, and its title agreed to.

H. F. No. 4384 was reported to the House.

Bakeberg moved to amend H. F. No. 4384 as follows:

Page 2, line 27, strike everything after "person"

Page 2, strike lines 28 to 32

Page 2, line 33, strike "the commissioner" and insert "<u>or online each calendar year</u>"

The motion prevailed and the amendment was adopted.

H. F. No. 4384, A bill for an act relating to child care; modifying requirements for abusive head trauma training for child care providers; amending Minnesota Statutes 2024, sections 142B.65, subdivision 7; 142B.70, subdivision 6; 142C.12, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Anderson, P. E.	Bakeberg	Bierman	Carroll	Curran
Agbaje	Anderson, P. H.	Baker	Bliss	Cha	Davids
Allen	Backer	Bennett	Buck	Clardy	Davis
Altendorf	Bahner	Berg	Burkel	Coulter	Dippel

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

The bill was passed, as amended, and its title agreed to.

S. F. No. 3891, A bill for an act relating to agriculture; allowing eggs to be donated past their quality assurance date; amending Minnesota Statutes 2024, sections 29.21, by adding a subdivision; 29.26.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 4339, A bill for an act relating to utilities; modifying certain requirements governing the excavation notice system, including to require electronic positive response; amending Minnesota Statutes 2024, sections 216D.01, by adding a subdivision; 216D.03, by adding a subdivision; 216D.04, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Olson.

Pursuant to Rule 10.05, relating to Remote House Operations, the Speaker permitted the following member to vote via remote means for the remainder of today’s session: Davis.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Sunday, May 17, 2026:

S. F. Nos. 4401, 334 and 1943; H. F. Nos. 719, 2484 and 2486; and S. F. No. 5200.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 4252

A bill for an act relating to higher education; modifying student aid reporting requirements; requiring additional accommodations for parenting students; modifying American Indian Scholars program eligibility; modifying provisions related to private career schools, private and out-of-state postsecondary institutions, unemployment insurance aid, and developmental courses; allowing denial of funding due to fraud; authorizing a lease agreement for construction of a sports facility; specifying handling of uncashed distribution checks; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a subdivision; 136A.64, subdivisions 1, 5; 136A.65, subdivision 8; 136A.653, subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10, 12, by adding subdivisions; 136A.823, subdivisions 1, 3; 136A.826, subdivision 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions 1, 3; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision; 268.193, subdivision 2; Minnesota Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246, subdivision 1a; 136A.69, subdivision 1; 136A.82, subdivision 1; 136A.821, subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.824, subdivisions 1, 2; 136A.833, subdivisions 1, 2; Laws 2025, First Special Session chapter 5, article 1, section 3, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b, 2; 136A.834, subdivisions 2, 3, 4; 136G.03, subdivision 11; 136G.09, subdivision 10; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5.

May 16, 2026

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 4252 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 4252 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 43A.187, is amended to read:

43A.187 BLOOD DONATION LEAVE.

A state employee must be granted leave from work with 100 percent of pay to donate blood at a location away from the place of work. The total amount of leave used under this section may not exceed three hours in a 12-month period, and must be determined by the employee. A state employee seeking leave from work under this section must provide 14 days' notice to the appointing authority. This leave must not affect the employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation, or cause a loss of seniority. ~~For the purposes of this section, "state employee" does not include an employee of the Minnesota State Colleges and Universities.~~

Sec. 2. **[135A.0435] ATHLETIC FEES.**

The Board of Trustees of the Minnesota State Colleges and Universities must not impose or maintain any mandatory student fee or increase tuition for the purpose of maintaining competitive athletic facilities. The Board of Regents of the University of Minnesota is requested to consider adoption of a policy consistent with this section. Nothing in this section prohibits the imposition of a mandatory fee or tuition increase for the purpose of maintaining athletic facilities used solely or primarily for recreation by the general student body.

Sec. 3. **[135A.082] DEVELOPMENTAL COURSES.**

(a) For purposes of this section, "developmental course" means a postsecondary course taken to prepare a student for college-level work that the postsecondary institution does not grant credit for and that cannot be used to meet degree, diploma, or certificate requirements.

(b) A public postsecondary institution that receives financial aid on behalf of students under section 136A.121 must, before a student enrolls in a developmental course: (1) provide the student with a clear, written explanation regarding the difference between a developmental course and a course that provides credits that count toward graduation; and (2) require the student to sign a written acknowledgment that the student understands the difference.

Sec. 4. Minnesota Statutes 2024, section 135A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible each year for the program a student must:

(1) be enrolled in an undergraduate certificate, diploma, or degree program at the University of Minnesota or a Minnesota state college or university;

(2) be either (i) a ~~Minnesota~~ student eligible for a resident ~~for resident tuition purposes~~ tuition rate who is an enrolled member or citizen of a federally recognized American Indian Tribe or Canadian First Nation, or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident tuition status;

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 12 semesters or the equivalent, excluding courses taken that qualify as developmental education or below college-level; and

(4) meet satisfactory academic progress as defined under section 136A.101, subdivision 10.

Sec. 5. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 1, is amended to read:

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

(b) "Parenting student" means a student enrolled at a ~~public college or university~~ postsecondary institution who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

(c) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

~~(c)~~ (d) "Pregnancy or related conditions" has the meaning given in Code of Federal Regulations, title 34, section 106.2.

~~(d) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.~~

(e) "Priority registration" means an opportunity to register for courses before the opening of general registration for the majority of undergraduate students.

Sec. 6. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 2, is amended to read:

Subd. 2. **Rights and protections.** (a) A postsecondary institution may not require and the University of Minnesota is requested not to require a pregnant or parenting student, solely because of the student's status as a pregnant or parenting student or due to issues related to the student's pregnancy or parenting, to:

(1) take a leave of absence or withdraw from the student's degree or certificate program;

(2) limit the student's studies;

(3) participate in an alternative program;

(4) change the student's major, degree, or certificate program; or

(5) refrain from joining or cease participating in any course, activity, or program at the ~~college or university~~ postsecondary institution.

(b) A postsecondary institution shall provide and the University of Minnesota is requested to provide reasonable modifications to a pregnant student, including modifications that:

(1) would be provided to a student with a temporary medical condition; or

(2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.

(c) A postsecondary institution must and the University of Minnesota is requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical status or condition:

(1) excuse the student's absence for a reasonable period of time as determined to be medically necessary by a student's treating health care provider insofar as to not compromise the fundamental outcomes of the academic course, program, or activity. If the postsecondary institution has a student medical leave or student temporary disability policy that provides a longer period of leave, the policy must be made available to students affected by pregnancy and related conditions;

(2) allow the student to make up missed assignments or assessments;

(3) allow the student additional time to complete assignments in the same manner as the institution allows for a student with a temporary medical condition; ~~and~~

(4) provide the student with access to instructional materials and video recordings of lectures for classes for which the student has an excused absence under this section to the same extent that instructional materials and video recordings of lectures are made available to any other student with an excused absence~~.~~; and

(5) ensure the benefits and services provided to students affected by pregnancy are no less than those provided to students with temporary medical conditions.

(d) A postsecondary institution must and the University of Minnesota is requested to allow a pregnant or parenting student to:

(1) take a leave of absence for a reasonable period of time as determined to be medically necessary by a student's treating health care provider or the health care provider of the parenting student's child insofar as to not compromise the fundamental outcomes of the academic course, program, or activity. If the postsecondary institution has a student medical leave or student temporary disability policy that provides a longer period of leave, the policy must be made available to students affected by pregnancy and related conditions and to parenting students; ~~and~~

(2) if in good academic standing at the time the student takes a leave of absence, return to the student's degree or certificate program in good academic standing without being required to reapply for admission~~.~~; and

(3) obtain reasonable modifications, including an excused absence for parenting students to attend to their child's health care needs, unless the modification would compromise the fundamental outcomes of the academic course, program, or activity.

(e) If a postsecondary institution provides early registration for courses or programs at the institution for any group of students, the institution must provide and the University of Minnesota is requested to provide early registration for those courses or programs for pregnant or parenting students in the same manner. Priority registration for parenting students shall include the following considerations:

(1) automatically assign eligible pregnant and parenting students a registration window time that occurs no later than the earliest undergraduate registration period offered;

(2) ensure that priority registration is granted without a separate petition, discretionary approval, or case-by-case determination beyond verification of parenting status;

(3) annual notification provided to all enrolled students describing the rights and protections afforded to pregnant and parenting students;

(4) provide notification of the priority registration process to each student who self-identifies as a pregnant or parenting student; and

(5) publish information regarding programs, services, and student rights specific to parenting students on the postsecondary institution's website.

(f) Postsecondary institutions must adopt policies and procedures to implement this subdivision. The Board of Regents of the University of Minnesota is requested to comply with this subdivision.

Sec. 7. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 3, is amended to read:

Subd. 3. **Policy on discrimination.** Each postsecondary institution must adopt and the University of Minnesota is requested to adopt a policy for students on pregnancy and parenting discrimination. The policy must:

(1) include the contact information of the Title IX coordinator who is the designated point of contact for a student requesting each protection or modification under this section. Contact information must include the Title IX coordinator's name, phone number, email, and office;

(2) be posted in an easily accessible, straightforward format on the ~~college or university's~~ postsecondary institution's website; and

(3) be made available annually to faculty, staff, and employees of the ~~college or university~~ postsecondary institution.

Sec. 8. Minnesota Statutes 2024, section 136A.053, is amended to read:

136A.053 CONSOLIDATED STUDENT AID REPORTING.

(a) The commissioner of the Office of Higher Education shall report annually beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of programs administered under sections 136A.091 ~~to 136A.1276~~, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126, 136A.1274, 136A.1275, 136A.1465, and ~~136A.231 to 136A.246~~ 136A.233, including the:

(1) total funds appropriated and expended;

(2) total number of students applying for funds;

(3) total number of students receiving funds;

(4) average and total award amounts;

(5) summary demographic data on award recipients;

(6) retention rates of award recipients;

(7) completion rates of award recipients;

(8) average cumulative debt at exit or graduation; and

(9) average time to completion.

(b) Data must be disaggregated by aid program, institution, aid year, race and ethnicity, gender, ~~income,~~ socioeconomic status, family type, ~~dependency status,~~ and any other factors determined to be relevant by the commissioner, as available. The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 136A.091 ~~to 136A.1276~~, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126, 136A.1274, 136A.1275, 136A.1465, and ~~136A.231 to 136A.246~~ 136A.233 as evidenced by activities funded under each program.

Sec. 9. Minnesota Statutes 2024, section 136A.091, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible for a program stipend, a student shall:

(1) be a resident ~~of Minnesota~~ student under section 136A.101, subdivision 8;

(2) attend an eligible office-approved program;

(3) be in grades 3 through 12, but not have completed high school;

(4) meet income requirements for free or reduced-price school meals; and

(5) be 19 years of age or younger.

Sec. 10. Minnesota Statutes 2024, section 136A.091, subdivision 9, is amended to read:

Subd. 9. **Report.** Annually, the office shall submit a report ~~to the legislative committees with jurisdiction over higher education finance regarding the program providers, stipend recipients, and program activities. The report shall include information about the students served, the organizations providing services, program goals and outcomes, and student outcomes~~ in accordance with section 136A.053.

Sec. 11. Minnesota Statutes 2024, section 136A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility for grants.** (a) An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the office finds that the applicant:

(1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision 8;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules;

(4) is not in default, as defined by the office, of any federal or state student educational loan;

(5) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages; and

(6) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C.

(b) A student is entitled to an additional semester or the equivalent of grant eligibility if the student withdraws from enrollment:

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 12. **[136A.1212] FRAUD; DENIAL OF FUNDING.**

Applicants or recipients of any student aid or grant program administered under chapter 136A may be denied funding if the applicant or recipient:

(1) presents information concerning the financial aid or grant application that is false, fraudulent, misleading, deceptive, or inaccurate in a material respect;

(2) refuses to allow reasonable inspection or to supply reasonable information after a written request by the office or school has been received; or

(3) has been determined by the commissioner or judicially determined to have committed fraud or a material violation of law involving federal, state, or local government funding.

Sec. 13. Minnesota Statutes 2024, section 136A.1215, subdivision 5, is amended to read:

Subd. 5. **Reporting.** ~~By February 15 of each year, the commissioner of higher education must submit a report on the details of the program under this section to the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information, broken out by postsecondary institution:~~ Annually, the office must submit a report in accordance with section 135A.053.

~~(1) the number of students receiving an award;~~

~~(2) the average and total award amounts; and~~

~~(3) summary demographic data on award recipients.~~

Sec. 14. Minnesota Statutes 2024, section 136A.1241, subdivision 8, is amended to read:

Subd. 8. **Report.** ~~(a)~~ Annually, the office ~~shall prepare an anonymized report to be submitted annually to the chairperson and minority chairperson of the legislative committees with jurisdiction over higher education that contains:~~ must submit a report in accordance with section 136A.053.

~~(1) the number of students receiving foster grants and the institutions attended; and~~

~~(2) annual retention and graduation data on students receiving foster grants.~~

~~(b) The report required under this subdivision may be combined with other legislatively required reporting. If submitted as a separate report, the report must be submitted by January 15.~~

Sec. 15. Minnesota Statutes 2024, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision 8, or the applicant's spouse is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

(4) has not received child care grant funds for a period of ten semesters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate, graduate, or professional degree, diploma, or certificate;

(6) is enrolled in at least one credit in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

(b) A student is entitled to an additional semester or equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return if the student withdraws from enrollment:

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 16. Minnesota Statutes 2024, section 136A.1274, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~By February 15 of each year, the commissioner must submit a report on the details of the program under this section to the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:~~ Annually, the office must submit a report in accordance with section 136A.053. Additionally, the report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 finance and policy.

~~(1) the number of eligible applicants and the number of teacher candidates receiving an award, each broken down by postsecondary institution;~~

~~(2) the total number of awards, the total dollar amount of all awards, and the average award amount; and~~

~~(3) other summary data identified by the commissioner as outcome indicators.~~

Sec. 17. Minnesota Statutes 2024, section 136A.1275, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~(a) By February 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:~~ Annually, the office must submit a report in accordance with section 136A.053. Additionally, the report must include

~~(1) the total number of awards, the total dollar amount of all awards, and the average award amount;~~

~~(2) the number of eligible applicants and the number of student teachers receiving an award, each broken down by postsecondary institution;~~

~~(3)~~ the licensure areas and school districts in which the student teachers taught~~;~~ and must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 finance and policy.

~~(4) other summary data identified by the commissioner as outcome indicators, including how many student teachers awarded a rural teacher grant were employed in a rural school district after graduation.~~

~~(b) By July 1 of each odd numbered year, the commissioner must update and post on the office's website a list of licensure shortage areas eligible for a grant under this section.~~

Sec. 18. Minnesota Statutes 2024, section 136A.1465, subdivision 10, is amended to read:

Subd. 10. **Report.** ~~The commissioner of higher education shall submit a preliminary report by September 1, 2025, and an annual report beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of the program, including the:~~ Annually, the office must submit a report in accordance with section 136A.053.

~~(1) status of the scholarship fund; and~~

~~(2) North Star Promise participation data aggregated for each eligible institution to show the:~~

~~(i) number of eligible students who received scholarships in the prior academic year;~~

~~(ii) average and total award amounts;~~

~~(iii) summary demographic data on award recipients;~~

~~(iv) total number of students enrolled in eligible institutions in the prior academic year;~~

~~(v) retention rates of participating students; and~~

~~(vi) number of eligible students who graduated with a degree and, for each eligible student, the number of consecutive semesters and nonconsecutive semesters attended prior to graduation.~~

Sec. 19. Minnesota Statutes 2024, section 136A.233, subdivision 3, is amended to read:

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

(b) ~~In selecting students for participation, priority must be given to students enrolled for at least 12 credits.~~ In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student will enroll on at least a half-time basis during the following academic term.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) ~~Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.~~

~~(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.~~

~~(h)~~ An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Sec. 20. Minnesota Statutes 2025 Supplement, section 136A.246, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

(c) "Eligible training" means training provided by an eligible training provider that:

(1) includes training to meet one or more identified competency standards;

(2) is instructor-led for a majority of the training <u>or leads to an accredited certificate, diploma, or degree issued by a postsecondary institution</u>; and

(3) results in the employee receiving an industry-recognized degree, certificate, or credential.

(d) "Eligible training provider" means an institution:

(1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;

(2) licensed or registered as a postsecondary institution by the office; or

(3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.

(e) "Industry-recognized degrees, certificates, or credentials" means:

(1) accredited certificates, diplomas, or degrees issued by a postsecondary institution;

(2) registered apprenticeship certifications or certificates;

(3) occupational licenses or registrations;

(4) certifications issued by, or recognized by, industry or professional associations; and

(5) other certifications as approved by the commissioner.

Sec. 21. Minnesota Statutes 2024, section 136A.62, is amended by adding a subdivision to read:

Subd. 3b. **Institution.** "Institution" means school, as defined in this section.

Sec. 22. Minnesota Statutes 2024, section 136A.64, subdivision 1, is amended to read:

Subdivision 1. **Schools to provide information.** As a basis for registration, schools shall provide the office with such information as the office needs to determine the nature and activities of the school, including but not limited to the following which shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

(1) articles of incorporation, constitution, bylaws, or other operating documents;

(2) a duly adopted statement of the school's mission and goals;

(3) evidence of current school or program licenses granted by departments or agencies of any state;

(4) compliance audits and audited financial statements that meet the requirements of Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under 200.501 and 200.503; and United States Code, title 31, chapter 75, which shall be submitted to the office on the same schedule stated under section 136A.675, subdivision 1a, paragraph (a);

(5) all current promotional and recruitment materials and advertisements; ~~and~~

(6) the current school catalog and, if not contained in the catalog:

(i) the members of the board of trustees or directors, if any;

(ii) the current institutional officers;

(iii) current full-time and part-time faculty with degrees held or applicable experience;

(iv) a description of all school facilities;

(v) a description of all current course offerings;

(vi) all requirements for satisfactory completion of courses, programs, and degrees;

(vii) the school's policy about freedom or limitation of expression and inquiry;

(viii) a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(ix) the school's policy about refunds and adjustments;

(x) the school's policy about granting credit for prior education, training, and experience;

(xi) the school's policies about student admission, evaluation, suspension, and dismissal; and

(xii) the school's disclosure to students on the student complaint process under section 136A.672; and

(7) enrollment data by academic term or calendar period following the submission schedules in section 136A.675, subdivision 1a, paragraph (b).

Sec. 23. Minnesota Statutes 2024, section 136A.64, subdivision 5, is amended to read:

Subd. 5. **Public information.** All information submitted to the office is public information except financial records, student complaint data, and accreditation records and reports. ~~Except for accreditation reports,~~ The office may disclose any records or information submitted to the office:

(1) to law enforcement officials; or

(2) in connection with a legal or administrative proceeding to:

(i) defend its decision to approve or disapprove granting of degrees or the use of a name;

(ii) defend its decision to revoke the institution's approval; or

(iii) enforce a requirement of law.

Sec. 24. Minnesota Statutes 2024, section 136A.65, subdivision 8, is amended to read:

Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons to the school, the office may:

(1) revoke, suspend, or refuse to renew registration;

(2) refuse approval of a school's degree; and

(3) refuse approval of the use of a regulated term in its name.

(b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:

(1) violating the provisions of sections 136A.61 to 136A.71;

(2) providing false, misleading, or incomplete information to the office;

(3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students;

(4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received;

(5) failing to have enrollment within the last two years at the school;

(6) failing to have any enrollment within two years of a program's approval, except for programs that require extensive approval processes by the United States Department of Education, or the program's institutional or programmatic accreditor; or

(7) having been ~~administratively~~ determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.

(c) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Sec. 25. Minnesota Statutes 2024, section 136A.653, subdivision 1b, is amended to read:

Subd. 1b. **Tribal colleges.** A Tribal college is exempted from the provisions of sections 136A.61 to 136A.71. A Tribal college that is exempt may voluntarily waive its ~~exception~~ exemption by registering under section 136A.63. Upon registration, the Tribal college is subject to all applicable requirements of sections 136A.61 to 136A.71.

Sec. 26. Minnesota Statutes 2024, section 136A.653, subdivision 3a, is amended to read:

Subd. 3a. **Tuition-free educational courses.** A ~~school~~ course or program, including a ~~school~~ course or program using an online platform service, offering training, courses, or programs is exempt from sections 136A.61 to 136A.71, to the extent tuition, fees, and any other charges for a student to participate do not exceed two percent of the most recent average undergraduate tuition and required fees as of January 1 of the current year charged for full-time students at all degree-granting institutions as published annually by the United States Department of Education as of January 1 of each year. To qualify for an exemption, a school or online platform service must prominently display a notice comparable to the following: "IMPORTANT: Each educational institution makes its own decision regarding whether to accept completed coursework for credit. Check with your university or college."

Sec. 27. Minnesota Statutes 2024, section 136A.672, subdivision 5, is amended to read:

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.705 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if~~: (1)~~ the office substantially prevails on the merits in an action brought under this section~~; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of $1,000,000 or greater~~.

Sec. 28. Minnesota Statutes 2024, section 136A.675, subdivision 1, is amended to read:

Subdivision 1. **Standard development and usage.** (a) To screen and detect whether an institution may not be financially or administratively responsible, the office shall ~~develop~~ use financial and nonfinancial indicators. The ~~development of~~ financial and nonfinancial indicators shall use industry standards as guidance.

(b) Annually, the office must provide a copy of the financial and nonfinancial indicators to each registered institution and post a list of reviewed indicators on the office website.

(c) The office shall use regularly reported data submitted to the federal government or other regulatory or accreditation agencies wherever possible.

(d) The office must use the indicators in this subdivision to identify institutions at potential risk of being unable to meet the standards established under sections 136A.646; 136A.64, subdivision 3; 136A.65, subdivisions 1a and 4, paragraph (a), clauses (1), (2), (3), and (7); and 136A.685 and thus unlikely to meet its financial obligations or complete its academic terms for the next 18 months.

Sec. 29. Minnesota Statutes 2024, section 136A.675, is amended by adding a subdivision to read:

Subd. 1a. **Institutional reporting schedules for audits and enrollment data.** (a) An institution must submit to the office the required audit reports under section 136A.64, subdivision 1, clause (4), by the earlier of 30 days after the issuance date of an audit or nine months after the last day of the institution's fiscal year.

(b) An institution must submit to the office the enrollment data required under section 136A.64, subdivision 1, clause (7), using one of the two following schedules:

(1) a school with limited program start dates within its academic year shall provide the office with a copy of the school's internal enrollment report for each academic term as soon as it is released internally. The school may provide the report with no additional data or required calculations; or

(2) a school with multiple or rolling program start dates must provide enrollment data to the office at least four times per year. Each school must determine four reporting dates per year that would result in the most useful data being provided to the office and must provide the office with the school's proposed enrollment reporting schedule.

Sec. 30. Minnesota Statutes 2025 Supplement, section 136A.69, subdivision 1, is amended to read:

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge the fees listed in paragraphs (b) ~~to (d)~~ and (c) for new registrations.

(b) A new school must pay registration fees based on the institution's total full-time equivalent enrollment in the following amounts:

(1) $5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;

(4) $15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

(5) $20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

(c) A new school must pay registration fees in an amount equal to the fee under paragraph (b), plus fees for each nondegree program or degree as follows:

nondegree program	$250
degree program	$750

~~(d) In addition to the fees under paragraphs (b) and (c), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

~~(e)~~ (d) The annual renewal registration fee is based on an institution's total full-time equivalent enrollment in the following amounts:

(1) $1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and

(4) $7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

~~(f) In addition to the fee under paragraph (e), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 31. Minnesota Statutes 2025 Supplement, section 136A.82, subdivision 1, is amended to read:

Subdivision 1. **Policy.** The legislature has found and hereby declares that the availability of legitimate ~~vocational~~ programs offered by responsible nonprofit and for-profit private career schools are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing ~~vocational~~ programs by establishing policies and procedures to ensure the authenticity and legitimacy of ~~vocational~~ programs offered by nonprofit and for-profit private career schools. The legislature has

found and declares that this same policy applies to any nonprofit and for-profit private career schools located in another state or country that offers or makes available to a Minnesota resident any ~~vocational~~ program which does not require leaving the state for its completion.

Sec. 32. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level. Except for those required to obtain a license exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, private career school does not extend to:

(1) public postsecondary institutions with a physical presence in Minnesota;

(2) postsecondary institutions registered under sections 136A.61 to 136A.71;

(3) postsecondary institutions exempt from registration under section 136A.653, subdivisions 1b, 2, 3, and 3a~~;~~ ~~136A.657;~~, or 136A.658 due to the nature of the institution's programs;

(4) ~~schools~~ persons, programs, or courses exclusively engaged in training physically or mentally disabled persons;

(5) persons, programs, or courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;

(6) persons, programs, or courses contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training~~, except for institutions or programs required to obtain a limited license exclusively to receive the dual training grant~~;

(7) ~~schools~~ persons, programs, or courses with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;

(8) ~~schools~~ persons, programs, or courses licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs~~, except for institutions or programs required to be licensed exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant~~;

(9) ~~review classes, courses, or~~ persons, programs, or courses intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;

(10) ~~classes, courses, or~~ persons, programs, or courses conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;

(11) persons, programs ~~in the fine arts provided by organizations~~, or courses that are exempt from taxation under section 290.05 and registered with the attorney general under chapter 309~~. For purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment~~; or

(12) ~~classes, courses, or~~ persons, programs, or courses intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity and that are offered exclusively to individuals with the professional licensure or certification.

Sec. 33. Minnesota Statutes 2024, section 136A.821, subdivision 13, is amended to read:

Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a private career school's ~~compliance with federal requirements related to its participation in federal Title IV student aid programs or other federal grant programs performed under either Uniform Grant Guidance, including predecessor Federal Circular A-133, or the United States Department of Education's audit guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers~~ administration of federal money conducted by a certified public accountant or federal auditor to determine if the school is adhering to applicable laws, regulations, and other grant conditions as required by Code of Federal Regulations, title 2, subtitle A, chapter II, part 200.

Sec. 34. Minnesota Statutes 2024, section 136A.821, subdivision 16, is amended to read:

Subd. 16. **~~Audited~~ Financial statements audit report.** " ~~Audited~~ Financial statements audit report" means the ~~financial statements of an entity or higher-level entity that have been examined by a certified public accountant or an equivalent government agency for public entities that include (1) an auditor's report, a statement of financial position, an income statement, a statement of cash flows, and notes to the financial statements or (2) the required equivalents for public entities as determined by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or the Securities and Exchange Commission~~ result of a service provided by a certified public accountant or federal auditor that conducts a comprehensive and independent examination of the entity's financial statements as defined in Code of Federal Regulations, title 34, section 668.23(d). If an entity's own financial statements audit report is subsequently consolidated into a higher-level entity's financial statements audit report, financial statements audit report can refer to both the entity's own report and the higher-level entity's consolidated report in accordance with Code of Federal Regulations, section 668.23(d)(2).

Sec. 35. Minnesota Statutes 2024, section 136A.821, subdivision 17, is amended to read:

Subd. 17. **~~Review-level engagement~~ Compilation report.** ~~"Review-level engagement" means a service performed by a certified public accountant that provides limited assurance that there are no material modifications that need to be made to an entity's financial statements in order for them to conform to generally accepted accounting principles. Review-level engagement provides fewer assurances than those reported under audited financial statements~~ "Compilation report" means the result of an accounting service provided by a certified public accountant to organize financial information provided by a client into professionally formatted financial statements. A compilation report provides no assurances about the financial statements, unlike those provided in a financial statements audit report.

Sec. 36. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 21, is amended to read:

Subd. 21. **~~Vocational~~ Institution or school.** ~~"Vocational" means education or training for skills used in the labor market~~ "Institution" or "school" means a private career school or distance education private career school, as defined in this section.

Sec. 37. Minnesota Statutes 2024, section 136A.822, subdivision 4, is amended to read:

Subd. 4. **Application.** Application for a license shall be on forms prepared and furnished by the office, and shall include the following and other information as the office may require:

(1) the title or name of the private career school, ownership and controlling officers, members, managing employees, and director;

(2) the specific programs which will be offered ~~and the specific purposes of the instruction~~;

(3) the place or places where the instruction will be given;

(4) a listing of the equipment available for instruction in each program;

(5) the maximum enrollment to be accommodated with equipment available in each specified program;

(6) the qualifications of instructors and supervisors in each specified program;

(7) financial documents related to the entity's and higher-level entity's most recently completed fiscal year~~:—~~, including a federal income tax return and, in accordance with the table below, one or more of the following: a financial statements audit report, compliance audit report, or compilation report. An applicant with financial statements that are consolidated into a higher-level entity's financial statements must include the consolidated financials of the higher-level entity with the documents listed in each row of the table except for the final row. If not stated in the financial statements audit report, compliance audit report, or compilation report, the entity must include a statement providing the total gross tuition and fee revenues associated with the programs and the total amount of institutional discounts and aid provided to students in the programs.

~~(i) annual gross revenues from all sources;~~

~~(ii) financial statements subjected to a review-level engagement or, if requested by the office, audited financial statements;~~

~~(iii) a school's most recent compliance audit, if applicable; and~~

~~(iv) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;~~

An entity or higher-level entity subject to fluctuating levels of total gross revenues must continue to submit the required financial documents according to the requirements under items (i) to (vi) even if the most current fiscal year's total gross revenues move the entity or higher-level entity into a different category. If an entity or higher-level entity continues to experience a change in total gross revenues for two consecutive fiscal years, the office must notify the entity that the entity will be subject to the documentation requirements under items (i) to (vi) for the next annual licensing application cycle. If, for the most recently completed fiscal year, the applicant or renewal applicant:

(i) is required by federal or other external entities to have both a financial statements audit and a compliance audit, the applicant must submit the financial statements audit report and the compliance audit report, which may be combined in one document;

(ii) is required by federal or other external entities to have a financial statements audit, but not a compliance audit, the applicant must submit the financial statements audit report;

(iii) is not required to have a financial statements audit, but elects to have one, the applicant must submit the financial statements audit report;

(iv) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of $5,000,000 or more and the office requires the applicant to have a financial statements audit, the applicant must submit the financial statement audit report. If the applicant is a nonprofit entity, the applicant must also include the completed Federal Form 990 tax return for the most recently completed fiscal year;

(v) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of $250,000 or more but less than $5,000,000 and the office requires the applicant to have a compilation engagement, the applicant must submit the compilation report, including footnotes for a debt repayment schedule and other material items. If the applicant is a nonprofit entity, the applicant must also include the completed Federal Form 990 tax return for the most recently completed fiscal year; or

(vi) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of less than $250,000, the applicant must submit (A) depending on the ownership or corporate organization, the applicant's federal income tax return; and (B) if the net income flows through to the owners' personal federal tax returns, a copy of each owner's personal federal tax return. In addition to the tax return information, an applicant must provide a balance sheet dated as of the last day of the most recently ended fiscal year;

(8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by the private career school; and

(9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota~~; and~~.

~~(10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges.~~

Sec. 38. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 6, is amended to read:

Subd. 6. **Bond.** (a) No license shall be issued to any private career school with a physical presence within the state of Minnesota for any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b) The amount of the surety bond shall be ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected, ~~but in no event less than $10,000,~~ except that a private career school ~~may~~ must deposit a greater amount at ~~its own~~ the office's discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net revenue from student tuition, fees, and other required institutional charges collected for all locations for the purpose of determining the annual surety bond requirement. The net revenue from tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota. In the case of an entity applying for an initial license where the entity has no history of revenues from student tuition, fees, or other required institutional charges, the amount of the bond must be ten percent of the total amount of tuition, fees, and other required institutional charges anticipated in the entity's first year of operation, based on a calculation of total student tuition, fees, and other required institutional charges multiplied by the maximum student enrollment in one academic year.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Sec. 39. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 8, is amended to read:

Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the private career school's financial obligations;

(ii) refund all tuition and other charges, within 60 days, in the event of dissolution of the private career school or in the event of any justifiable claims for refund against the private career school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the private career school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;

(4) that the private career school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the quality ~~and content~~ of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared, based on minimum standards for employment in the field, learning outcomes, assessment mechanisms, and clear structure of the curriculum;

(6) that the premises and conditions where the students work and study and the student living quarters which are owned, maintained, recommended, or approved by the applicant are sanitary, healthful, and safe~~, as evidenced by certificate of occupancy issued by the municipality or county where the private career school is physically situated, a fire inspection by the local or state fire marshal, or another verification deemed acceptable by the office~~;

(7) that the contract or enrollment agreement used by the private career school complies with the provisions in section 136A.826;

(8) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause;

(9) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the private career school or its owner, officers, agents, or sponsoring organization;

(10) that the private career school or its owners, officers, agents, or sponsoring organization has not had a license revoked under section 136A.829 or its equivalent in other states or has closed the institution prior to all students, enrolled at the time of the closure, completing their program within two years of the effective date of the revocation; and

(11) that the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits to Minnesota residents that may be applied to a program.

Sec. 40. Minnesota Statutes 2024, section 136A.822, subdivision 10, is amended to read:

Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a private career school, the private career school shall furnish to the office a catalog, brochure, or electronic display including~~:~~ all required information to students under section 136A.826.

~~(1) identifying data, such as volume number and date of publication;~~

~~(2) name and address of the private career school and its governing body and officials;~~

~~(3) a calendar of the private career school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;~~

~~(4) the private career school policy and regulations on enrollment including dates and specific entrance requirements for each program;~~

~~(5) the private career school policy and regulations about leave, absences, class cuts, make up work, tardiness, and interruptions for unsatisfactory attendance;~~

~~(6) the private career school policy and regulations about standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;~~

~~(7) the private career school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;~~

~~(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;~~

~~(9) the private career school policy and regulations, including an explanation of section 136A.827, about refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;~~

~~(10) a description of the available facilities and equipment;~~

~~(11) a course outline syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;~~

~~(12) the private career school policy and regulations about granting credit for previous education and preparation;~~

~~(13) a notice to students relating to the transferability of any credits earned at the private career school to other institutions;~~

~~(14) a procedure for investigating and resolving student complaints;~~

~~(15) the name and address of the office; and~~

~~(16) the student complaint process and rights under section 136A.8295.~~

~~A private career school that is exclusively a distance education school is exempt from clauses (3) and (5).~~

Sec. 41. Minnesota Statutes 2024, section 136A.822, subdivision 12, is amended to read:

Subd. 12. **Permanent student records.** (a) A private career school or a distance education private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a ~~permanent~~ student record for each student for 50 years from the last date of the student's attendance. ~~A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance~~ The private career school or distance education private career school may choose to reduce the amount of time the school maintains a student record to no less than 20 years if the entity sends the permanent student record to the office to hold for the remainder of the duration the student records are required to be maintained. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

(b) A private career school or distance education private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record required for professional licensure in Minnesota for each student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater. ~~A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for each Minnesota student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.~~

(c) To preserve permanent student records, a private career school shall submit a plan that meets the following requirements:

(1) ~~at least one copy of the records must be held in a secure, fireproof depository;~~

~~(2)~~ an appropriate official must be designated to provide a student with copies of records or a transcript upon request; and

~~(3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the private career school ceases to exist; and~~

~~(4)~~ (2) a continuous surety bond or irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed $20,000 if the private career school has no binding agreement approved by the office, for preserving student records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 42. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 13, is amended to read:

Subd. 13. **Limited license.** (a) Unless otherwise exempt under sections 136A.82 to 136A.834:

(1) a private career school licensed by another state agency or board must be required to obtain a limited license to participate in state financial aid; and

(2) a private career school exclusively seeking to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant shall be required to obtain a limited license.

(b) A private career school seeking a limited license under this subdivision shall be required to satisfy ~~only~~ the requirements of subdivisions 4, clauses (1), (2), and (3)~~, (7), (8), (9), and (10)~~; 5; 8, clauses (1), ~~(4), (7), (8),~~ (9), and (10); ~~9; 10; 11;~~ and 12. If requested by the office, a private career school seeking a limited license under this subdivision must satisfy the requirements of subdivisions 4, clauses (7), (8), (9), and (10); 8, clauses (4), (7), and (8); 9; 10; and 11. If a private career school is licensed to participate in state financial aid under this chapter, the private career school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a distance education private career school licensed to recruit Minnesota residents for attendance at a distance education private career school outside of this state, or a distance education private career school licensed by another state agency as its primary licensing body, may continue to use the distance education private career school's name as permitted by its home state or its primary licensing body.

Sec. 43. Minnesota Statutes 2024, section 136A.822, is amended by adding a subdivision to read:

Subd. 14. **Data privacy.** (a) Financial records submitted by private career schools are nonpublic data, as defined in section 13.02, subdivision 9.

(b) Accreditation records and reports submitted by private career schools are nonpublic data, as defined in section 13.02, subdivision 9.

(c) The office may disclose data that is classified as not public data under this subdivision for the purpose of defending the office's decision to approve or not approve a program or institution, or take any other action under sections 136A.82 to 136A.833, in connection with a legal or administrative proceeding, or pursuant to a subpoena or judicial warrant.

Sec. 44. Minnesota Statutes 2024, section 136A.823, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Application for renewal of a license must be made at least 60 days, other than the exception in paragraph (b), before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a nonrefundable fee as provided in section 136A.824 that is sufficient to recover, but does not exceed, the administrative costs of the office.

(b) The financial documents listed in section 136A.822, subdivision 4, clause (7), required to be submitted to the office as part of a renewal application, shall be submitted according to the following schedule:

(1) the financial statements audit reports, compliance audit reports, and compilation reports, by the earlier of 30 days after the issuance date of each report or nine months after the last day of the entity's or higher-level entity's fiscal year; or

(2) for federal tax returns and stand-alone balance sheets, by the earlier of 30 days after the federal tax return is completed or one week following the last day of a federal filing extension period that is usually six months in length.

Sec. 45. Minnesota Statutes 2024, section 136A.823, subdivision 3, is amended to read:

Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must submit a registration renewal application, the information and materials for an initial registration under section 136A.822, subdivision 4, and the applicable registration fees for a new institution under section 136A.824, subdivision 1. For purposes of this subdivision, "change of ownership" means: a merger or consolidation with a ~~corporation~~ separate entity or higher-level entity; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; entering into receivership; or a change in the nonprofit or for-profit status of a school.

Sec. 46. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 1, is amended to read:

Subdivision 1. **Initial licensure fee.** ~~(a)~~ The office processing fee for an initial licensure application is:

(1) $3,730 for a private career school that will offer no more than one program during its first year of operation;

(2) $1,500 for a private career school licensed by another state agency and seeking a limited license exclusively in order to participate in state financial aid; and

(3) $3,730, plus $500 for each additional program offered by the private career school, for a private career school during its first year of licensed operation.

~~(b) In addition to the fee under paragraph (a), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 47. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 2, is amended to read:

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

(1) for a private career school, the license renewal fee is $3,160; and

(2) for a private career school licensed by another state agency and that also has a limited license with the office exclusively in order to participate in state financial aid, the license renewal fee is $1,500.

(b) If a license renewal application is not received by the office by the expiration of the current license, a late fee of $100 per business day, not to exceed $3,000, shall be assessed.

~~(c) In addition to the fee under paragraph (a), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 48. Minnesota Statutes 2024, section 136A.826, subdivision 1, is amended to read:

Subdivision 1. **Catalog, brochure, or electronic display.** (a) A private career school or its agent must provide the catalog, brochure, or electronic display required in this section ~~136A.822, subdivision 10,~~ to a prospective student in a time or manner that gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or enrollment agreement or before being accepted by a private career school that does not use a written contract or enrollment agreement.

(b) A catalog, brochure, or electronic display must include, at a minimum:

(1) identifying data, such as volume number or date of publication;

(2) name, address, governing body, and names of senior officials;

(3) an academic calendar showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

(4) the policy and regulations on enrollment including dates and specific entrance requirements for each program;

(5) the policy and regulations regarding leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

(6) the policy and regulations regarding standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;

(7) the policy and regulations regarding student conduct and conditions for dismissal for unsatisfactory conduct;

(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) the policy and regulations, including an explanation of section 136A.827, regarding refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;

(10) a description of the available facilities and equipment;

(11) a course outline or syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;

(12) the policy and regulations regarding granting credit for previous education and preparation;

(13) a notice to students relating to the transferability of any credits earned; or

(14) a procedure for investigating and resolving student complaints and the rights of the student under section 136A.8295.

Sec. 49. Minnesota Statutes 2024, section 136A.827, subdivision 1, is amended to read:

Subdivision 1. **Student.** For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student. If there is no contract, student means the party who has been accepted into the course or program.

Sec. 50. Minnesota Statutes 2024, section 136A.827, subdivision 4, is amended to read:

Subd. 4. **Proration.** (a) When a student has been accepted by a private career school and gives notice of cancellation after the program of instruction has begun, the student is entitled to a refund if, at the last documented date of attendance, the student has not completed at least 75 percent of the entire program of instruction. For purposes of this subdivision, program of instruction is calculated under paragraph (c) or (d). Program of instruction does not mean one term, a payment period, a module, or any other portion of the entire instructional program.

(b) A notice of cancellation from a student under this subdivision must be confirmed in writing by the private career school and mailed to the student's last known address. The confirmation from the school must state that the school has withdrawn the student from enrollment~~, and if this action was not the student's intent, the student must contact the school~~.

(c) The length of a program of instruction for a program that has a defined calendar start and end date that does not change after the program has begun equals the number of days from the first scheduled date of the program through the last scheduled date of the program. To calculate the completion percentage, divide the number of calendar days from the first date of the program through the student's last documented date of attendance by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed $50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) $100.

(d) The length of a program of instruction for a program that is measured in clock hours equals the number of clock hours the student was scheduled to attend. To calculate the completion percentage, divide the number of clock hours that the student actually attended by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed $50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) $100.

Sec. 51. Minnesota Statutes 2024, section 136A.828, subdivision 6, is amended to read:

Subd. 6. ~~**Financial aid payments**~~ **Transcripts.** ~~(a) All private career schools must collect, assess, and distribute funds received from loans or other financial aid as provided in this subdivision.~~

~~(b) Student loans or other financial aid funds received from federal, state, or local governments or administered in accordance with federal student financial assistance programs under title IV of the Higher Education Act of 1965, as amended, United States Code, title 20, chapter 28, must be collected and applied as provided by applicable federal, state, or local law or regulation.~~

~~(c) Student loans or other financial aid assistance received from a bank, finance or credit card company, or other private lender must be collected or disbursed as provided in paragraphs (d) and (e).~~

~~(d) Loans or other financial aid payments for amounts greater than $3,000 must be disbursed:~~

~~(1) in two equal disbursements, if the term length is more than four months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class with the remainder to be disbursed halfway through the term; or~~

~~(2) in three equal disbursements, if the term length is more than six months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class, one third of the way through the term, and two thirds of the way through the term.~~

~~(e) Loans or other financial aid payments for amounts less than $3,000 may be disbursed as a single disbursement on the first day a student attends class, regardless of term length.~~

~~(f) No private career school may enter into a contract or agreement with, or receive any money from, a bank, finance or credit card company, or other private lender, unless the private lender follows the requirements for disbursements provided in paragraphs (d) and (e).~~

~~(g)~~ No private career school may withhold an official transcript for arrears or default on any loan made by the private career school to a student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b).

Sec. 52. Minnesota Statutes 2024, section 136A.829, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The office may, after notice and upon providing an opportunity for a hearing~~,~~ under chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following grounds:

(1) violation of any provisions of sections 136A.821 to 136A.833 or any rule adopted by the office;

(2) furnishing to the office false, misleading, or incomplete information;

(3) presenting to prospective students information relating to the private career school that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

(4) refusal to allow reasonable inspection or supply reasonable information after written request by the office;

(5) having been ~~administratively~~ determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds;

(6) the existence of any circumstance that would be grounds for the refusal of an initial or renewal license under section 136A.822; or

(7) using fraudulent or coercive practices, whether in the course of business in this state or elsewhere.

Sec. 53. Minnesota Statutes 2024, section 136A.829, subdivision 3, as amended by Laws 2026, chapter 88, article 1, section 40, is amended to read:

Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

(a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office such agreements are or will be helpful in effectuating the purposes of Laws 1973, chapter 714;

(b) To grant conditional private career school license ~~for periods of less than one year~~ if in the judgment of the office correctable deficiencies exist at the time of application and when ~~refusal to issue private career school license would adversely affect currently enrolled students;~~ the risk of harm to students can be minimized through the use of restrictions and requirements as conditions of the license. Conditional licenses may include requirements and restrictions for:

(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;

(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;

(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;

(4) a prohibition from accepting tuition and fee payments prior to the add-drop period of the current period of instruction or before the funding has been earned by the school according to the refund requirements of section 136A.827;

(5) a prohibition from enrolling new students;

(6) enrollment caps;

(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;

(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or

(9) submission of closure information under section 136A.8225;

(c) The office may upon its own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any person or persons holding or claiming to hold a license or permit. However, before proceeding to a hearing on the question of whether a license or permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable time to the holder of or applicant for a license or permit to correct the situation. If within such time the situation is corrected and the private career school is in compliance with the provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation, or suspension shall be taken.

~~(d) To grant a private career school a probationary license for periods of less than three years if, in the judgment of the office, correctable deficiencies exist at the time of application that need more than one year to correct and when the risk of harm to students can be minimized through the use of restrictions and requirements as conditions of the license. Probationary licenses may include requirements and restrictions for:~~

~~(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;~~

~~(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;~~

~~(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;~~

~~(4) a prohibition from accepting tuition and fee payments prior to the add/drop period of the current period of instruction or before the funds have been earned by the school according to the refund requirements of section 136A.827;~~

~~(5) a prohibition from enrolling new students;~~

~~(6) enrollment caps;~~

~~(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;~~

~~(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or~~

~~(9) submission of closure information under section 136A.8225.~~

Sec. 54. Minnesota Statutes 2024, section 136A.8295, subdivision 5, is amended to read:

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.832 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if~~:~~ ~~(1)~~ the office substantially prevails on the merits in an action brought under this section~~; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of $1,000,000 or greater~~.

Sec. 55. Minnesota Statutes 2024, section 136A.83, is amended to read:

136A.83 INSPECTION.

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any private career school or applicant for license at any reasonable time. ~~The office may require the submission of audited financial statements.~~ The office or a delegate may inspect the financial books and records of the private career school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the private career school.

(b) Data obtained from an inspection of the financial records of a private career school or submitted to the office as part of a license application or renewal are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

Sec. 56. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 1, is amended to read:

Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school or program meets the requirements of an exemption. An exemption for the school or program expires two years from the date of approval or when a school ~~adds a new program or~~ makes a modification ~~equal to or greater than 25 percent to an existing educational program~~ that brings the school or program outside the scope of the school's or program's exemption. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration or any change that would bring the school or program outside the scope of the school's or program's exemption, the school is subject to fees and penalties under sections 136A.831 and 136A.832. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.829. If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

(b) A school that meets any of the exemptions in this section and exclusively seeks to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, is exempt from sections 136A.822 to 136A.834, except the school must satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8, clauses (9) and (10); 10, clause (8); and 12.

Sec. 57. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 2, is amended to read:

Subd. 2. **Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the following:

(1) ~~private career schools engaged exclusively in the teaching of avocational programs that are engaged primarily for personal development, recreation, or remedial education, and are not generally intended for vocational or career advancement, including adult basic education, exercise or fitness teacher programs, modeling, or acting, as determined by the office;~~

~~(2)~~ classes, courses, or programs providing 40 or fewer clock hours of instruction; and

~~(3)~~ (2) private career schools providing training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed $500.

Sec. 58. Minnesota Statutes 2024, section 136G.03, subdivision 30, is amended to read:

Subd. 30. **Qualified higher education expenses.** "Qualified higher education expenses" means expenses as defined in ~~section~~ sections 529(c)(7), (8), and (9); 529(e)(3); and 529(f) of the Internal Revenue Code.

Sec. 59. Minnesota Statutes 2024, section 136G.03, subdivision 31, is amended to read:

Subd. 31. **Qualified rollover distribution.** "Qualified rollover distribution" means a distribution that qualifies as a rollover under section 529(c)(3)(C) and (E) of the Internal Revenue Code.

Sec. 60. Minnesota Statutes 2024, section 136G.03, is amended by adding a subdivision to read:

Subd. 35. **Uncashed distribution check.** "Uncashed distribution check" means any distribution check generated by an account owner's request regardless of the payee that remains uncashed by the payee for at least 180 days.

Sec. 61. Minnesota Statutes 2024, section 136G.05, subdivision 10, is amended to read:

Subd. 10. **Data.** Account owner data, account data, and data on beneficiaries of accounts are private data on individuals or nonpublic data as defined in section 13.02, except that the names and addresses of the beneficiaries of accounts that receive matching grants are public. The office may use data received under this chapter to share information with account owners about the office's other programs and resources including those that describe the process to pay for postsecondary education.

Sec. 62. Minnesota Statutes 2024, section 136G.13, is amended by adding a subdivision to read:

Subd. 6. **Handling of uncashed distribution checks.** Unless otherwise directed by the office, the plan administrator must mark an uncashed distribution check as no longer outstanding and must credit back the amount of the check to the account owner's account from which the check was originally disbursed. The amount being credited must be accounted for as a new contribution and be invested by the plan administrator according to the current instructions on file from the account owner.

Sec. 63. Minnesota Statutes 2024, section 137.39, is amended by adding a subdivision to read:

Subd. 2a. **Reporting.** By February 15 of each odd-numbered year, the Board of Regents of the University of Minnesota is requested to submit a report on medical school curriculum to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education. At a minimum, the report must include information regarding for-profit entity funds used to:

(1) pay salaries of teaching faculty;

(2) support new or existing courses offered by the medical school; and

(3) support initiatives of the medical school.

Sec. 64. Minnesota Statutes 2024, section 268.193, subdivision 2, is amended to read:

Subd. 2. **Unemployment insurance aid.** Eligible postsecondary institutions are eligible to receive unemployment insurance aid under this section. For each fiscal year, an eligible entity's aid is the difference between fiscal year 2022's unemployment insurance costs and the current year's unemployment insurance costs, as reflected in the unemployment insurance employer accounts maintained by the state. If the total eligible unemployment insurance aid for a fiscal year is greater than the annual appropriation for that year, the Board of Trustees of the Minnesota State Colleges and Universities ~~or the commissioner of the Office of Higher Education, as applicable,~~ must proportionately reduce the aid payment to each eligible entity.

Sec. 65. Laws 2025, First Special Session chapter 5, article 1, section 3, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation**	**$879,039,000**	**~~$878,550,000~~ 881,555,000**

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

Sec. 66. Laws 2025, First Special Session chapter 5, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. **Operations and Maintenance**	830,873,000	~~830,384,000~~ 833,389,000

(a) $5,700,000 in fiscal year 2026 and $5,700,000 in fiscal year 2027 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least $158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.

(b) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.

(c) $9,500,000 in fiscal year 2026 and $9,500,000 in fiscal year 2027 are for enterprise-wide technology, including upgrading the Integrated Statewide Record System and maintaining enterprise-wide technology services.

(d) $50,000 in fiscal year 2026 and $50,000 in fiscal year 2027 are to reduce students' out-of-pocket costs by expanding free offerings in course materials and resources, including through open educational resources, open textbooks, and implementation of Z-Degrees under Minnesota Statutes, section 136F.305.

(e) $3,158,000 in fiscal year 2026 and $3,158,000 in fiscal year 2027 are to expand student support services. This appropriation provides funding to campuses to address basic needs insecurity, mental health, and other high-need student support services by increasing the amount of available resources to students. In addition, this funding provides systemwide resources and coordination, including electronic connections for peer support and professional clinical support for mental health. These systemwide resources must be available online 24 hours a day, seven days a week.

(f) $883,000 in fiscal year 2026 and $894,000 in fiscal year 2027 are for costs associated with the increased employer contribution rates for the higher education individual retirement account plan under Minnesota Statutes, section 354B.23, subdivision 3.

(g) $282,000 in fiscal year 2026 and $282,000 in fiscal year 2027 are to pay the cost of supplies and equipment necessary to provide access to menstrual products under Minnesota Statutes, section 135A.1365.

(h) $809,000 in fiscal year 2026 and $809,000 in fiscal year 2027 are for unemployment insurance aid under Minnesota Statutes, section 268.193, to institutions within the system.

(i) $500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are for the Juvenile Detention Alternatives Initiative at Metropolitan State University. Of this amount, $280,000 each year is to provide juvenile justice services and resources, including the Juvenile Detention Alternatives Initiative, to Minnesota counties and federally recognized Tribes; and $220,000 each year is for funding to local units of government, federally recognized Tribes, and agencies to support local Juvenile Detention Alternative Initiatives, including but not limited to alternatives to detention. Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

(j) $500,000 in fiscal year 2026 is to address contamination of PFAS, as defined in Minnesota Statutes, section 116.943, arising from or associated with the use of firefighting foam at the Lake Superior College Emergency Response Training Center (ERTC) prior to January 1, 2015. Money may be used to conduct environmental investigation and response activities, including ERTC program accommodations, and reimburse past expenses incurred for these activities. This is a onetime appropriation.

(k) $3,000,000 in fiscal year 2027 is for acquisition, implementation, support, and maintenance of automated identity verification systems to combat enrollment fraud. Minnesota Statutes, section 13.05, subdivision 11, applies to any contract entered into by Minnesota State Colleges and Universities regarding the automated identity verification systems. This is a onetime appropriation. This appropriation is available until June 30, 2029.

(l) $5,000 in fiscal year 2027 is for a transfer to Bemidji State University for campus reforestation. This is a onetime appropriation.

Sec. 67. **ROCHESTER COMMUNITY AND TECHNICAL COLLEGE; CITY OF ROCHESTER LEASE AGREEMENT.**

(a) The Board of Trustees of the Minnesota State Colleges and Universities may enter into a lease agreement with the city of Rochester, not to exceed 50 years, for the lease of land on the Rochester Community and Technical College for the construction of a sports facility.

(b) Siting and design of the facility must be consistent with the college's master plan and Minnesota State Colleges and Universities' building standards. Rochester Community and Technical College may negotiate for use of the facility for partial benefit of student and nonstudent purposes.

Sec. 68. **APPROPRIATION; FOSTERING INDEPENDENCE HIGHER EDUCATION GRANTS.**

(a) Notwithstanding Minnesota Statutes, chapter 116L, $570,000 in fiscal year 2026 is appropriated from the workforce development fund to the commissioner of the Office of Higher Education for grants to eligible students under Minnesota Statutes, section 136A.1241, for the summer 2026 academic term. Any unspent funds from the summer 2026 term may be expended during the 2026-2027 academic year. This is a onetime appropriation. This appropriation is available until June 30, 2027.

(b) $1,500,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of the Office of Higher Education for grants to eligible students under Minnesota Statutes, section 136A.1241, for the 2026-2027 academic year. This is a onetime appropriation.

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

Sec. 69. **REPEALER.**

(a) Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b and 2; 136A.834, subdivisions 2, 3, and 4; 136G.03, subdivision 11; and 136G.09, subdivision 10, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1 and 5, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; modifying student aid reporting requirements; limiting use of student fees for maintaining certain athletic facilities; permitting lease of land for Rochester Community and Technical College; modifying American Indian Scholars program eligibility; modifying provisions related to private career schools; modifying provisions related to private and out-of-state public postsecondary institutions; expanding eligibility for paid blood donation leave to include employees of the Minnesota State Colleges and Universities; requiring postsecondary institutions to provide priority registration for pregnant and parenting students; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 43A.187; 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a subdivision; 136A.64, subdivisions 1, 5; 136A.65, subdivision 8; 136A.653, subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10, 12, by adding a subdivision; 136A.823, subdivisions 1, 3; 136A.826, subdivision 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions 1, 3, as amended; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision; 137.39, by adding a subdivision; 268.193, subdivision 2; Minnesota Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246, subdivision 1a; 136A.69, subdivision 1; 136A.82, subdivision 1; 136A.821, subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.824, subdivisions 1, 2; 136A.833, subdivisions 1, 2; Laws 2025, First Special Session chapter 5, article 1, section 3, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b, 2; 136A.834, subdivisions 2, 3, 4; 136G.03, subdivision 11; 136G.09, subdivision 10; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5."

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

House Conferees: DAN WOLGAMOTT, NATHAN COULTER, KRISTIN ROBBINS and MARION RARICK.

Senate Conferees: OMAR FATEH, CLARE OUMOU VERBETEN, ARIC PUTNUM and ZACK DUCKWORTH.

Wolgamott moved that the report of the Conference Committee on H. F. No. 4252 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 4252, A bill for an act relating to higher education; modifying student aid reporting requirements; limiting use of student fees for maintaining certain athletic facilities; permitting lease of land for Rochester Community and Technical College; modifying American Indian Scholars program eligibility; modifying provisions related to private career schools; modifying provisions related to private and out-of-state public postsecondary institutions; expanding eligibility for paid blood donation leave to include employees of the Minnesota State Colleges and Universities; requiring postsecondary institutions to provide priority registration for pregnant and parenting students; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 43A.187; 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a subdivision; 136A.64, subdivisions 1, 5; 136A.65, subdivision 8; 136A.653, subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10, 12, by adding a subdivision; 136A.823, subdivisions 1, 3; 136A.826, subdivision 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions 1, 3, as amended; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision; 137.39, by adding a subdivision; 268.193, subdivision 2; Minnesota Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246, subdivision 1a; 136A.69, subdivision 1; 136A.82, subdivision 1; 136A.821, subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.824, subdivisions 1, 2; 136A.833, subdivisions 1, 2; Laws 2025, First Special Session chapter 5, article 1, section 3, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b, 2; 136A.834, subdivisions 2, 3, 4; 136G.03, subdivision 11; 136G.09, subdivision 10; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 101 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Acomb	Curran	Greene	Johnson, W.	Long	O'Driscoll
Agbaje	Davids	Greenman	Jones	Luger-Nikolai	Pérez-Vega
Allen	Dotseth	Hansen, R.	Jordan	Mahamoud	Perryman
Anderson, P. H.	Duran	Hanson, J.	Keeler	Moller	Pinto
Bahner	Elkins	Heintzeman	Klevorn	Momanyi-Hiltsley	Pursell
Baker	Falconer	Hicks	Koegel	Mueller	Rehm
Berg	Feist	Hill	Kotyza-Witthuhn	Myers	Rehrauer
Bierman	Finke	Hollins	Kozlowski	Nadeau	Repinski
Bliss	Fischer	Howard	Kraft	Nash	Reyer
Buck	Frazier	Hudson	Lee, F.	Nelson	Robbins
Carroll	Frederick	Huot	Lee, K.	Niska	Schomacker
Cha	Freiberg	Hussein	Lee, X.	Noor	Schwartz
Clardy	Gomez	Igo	Liebling	Norris	Scott
Coulter	Gottfried	Johnson, P.	Lillie	Novotny	Sencer-Mura

Sexton	Stephenson	Torkelson	Warwas	Wolgamott	Zeleznikar
Skraba	Swedzinski	Vang	West	Xiong	Spk. Demuth
Smith	Tabke	Virnig	Witte	Youakim	

Those who voted in the negative were:

Altendorf	Davis	Gillman	Koznick	Olson	Stier
Anderson, P. E.	Dippel	Gordon	Kresha	Quam	Van Binsbergen
Backer	Engen	Harder	Lawrence	Rarick	Wiener
Bakeberg	Fogelman	Jacob	McDonald	Roach	
Bennett	Franson	Joy	Mekeland	Rymer	
Burkel	Gander	Knudsen	Murphy	Schultz	

The bill was repassed, as amended by Conference, and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3298, A bill for an act relating to energy; establishing reimbursement program for underground petroleum storage tank systems with pressurized single-walled steel piping; amending Minnesota Statutes 2024, sections 115C.08, subdivision 4; 115C.09, by adding a subdivision.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3825, A bill for an act relating to public safety; requiring judge to inquire whether victim has been notified of plea and sentencing hearings; protecting victim from identification in prosecutor's petition for sentence adjustment; expanding victim notification of defendant eligibility for automatic expungement; protecting identity of minor victim in a crime involving sexual performance; expanding protection from employer retaliation to victims of stalking; amending Minnesota Statutes 2024, sections 609.133, subdivision 4; 609.3471; 611A.03, subdivision 1, by adding a subdivision; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1.

THOMAS S. BOTTERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Repinski moved that the House concur in the Senate amendments to H. F. No. 3825 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3825, A bill for an act relating to public safety; requiring judge to inquire whether victim has been notified of plea and sentencing hearings; protecting victim from identification in prosecutor's petition for sentence adjustment; expanding victim notification of defendant eligibility for automatic expungement; protecting identity of minor victim in a crime involving sexual performance; expanding protection from employer retaliation to victims of stalking; amending Minnesota Statutes 2024, sections 609.133, subdivision 4; 609.3471; 611A.03, subdivision 1, by adding a subdivision; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1.

The bill was read for the third time, 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 123 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Acomb	Coulter	Gomez	Jordan	Mahamoud	Pursell
Agbaje	Curran	Gordon	Joy	McDonald	Quam
Allen	Davids	Gottfried	Keeler	Mekeland	Rarick
Anderson, P. E.	Dippel	Greene	Klevorn	Moller	Rehm
Anderson, P. H.	Dotseth	Greenman	Knudsen	Momanyi-Hiltsley	Rehrauer
Backer	Duran	Hanson, J.	Koegel	Mueller	Repinski
Bahner	Elkins	Harder	Kotyza-Witthuhn	Myers	Reyer
Bakeberg	Engen	Heintzeman	Kozlowski	Nadeau	Robbins
Baker	Falconer	Hill	Koznick	Nash	Rymer
Bennett	Feist	Hollins	Kraft	Nelson	Schomacker
Berg	Finke	Howard	Kresha	Niska	Schultz
Bierman	Fischer	Hudson	Lawrence	Noor	Schwartz
Bliss	Franson	Huot	Lee, F.	Norris	Scott
Buck	Frazier	Hussein	Lee, K.	Novotny	Sencer-Mura
Burkel	Frederick	Igo	Lee, X.	O'Driscoll	Sexton
Carroll	Freiberg	Johnson, P.	Lillie	Olson	Skraba
Cha	Gander	Johnson, W.	Long	Pérez-Vega	Smith
Clardy	Gillman	Jones	Luger-Nikolai	Perryman	Stephenson

Stier	Torkelson	Virnig	Witte	Youakim
Swedzinski	Van Binsbergen	Warwas	Wolgamott	Zeleznikar
Tabke	Vang	West	Xiong	Spk. Demuth

Those who voted in the negative were:

Altendorf	Fogelman	Jacob	Murphy	Roach
Davis	Hansen, R.	Liebling	Pinto	Wiener

The bill was repassed, as amended by the Senate, and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 4188

A bill for an act relating to commerce; modifying various consumer protections for insurance and financial products; prohibiting virtual-currency kiosks; modifying various provisions governing securities broker-dealers and broker-dealers' agents; making technical changes to various provisions governed or administered by the Department of Commerce; modifying and adding provisions governing unclaimed property; providing penalties; amending Minnesota Statutes 2024, sections 46.044, subdivision 1; 48.195; 49.37; 53B.69, subdivision 10; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.13, subdivisions 1, 6; 72A.061, subdivision 5; 72A.18, subdivision 2, by adding subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80A.50; 80A.69; 80C.12, subdivision 1; 80G.01, subdivision 5a; 325E.21, subdivisions 1b, 2c; 332.32; 345.31, by adding a subdivision; 345.43, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 58B.02, subdivision 8a; 80A.66; proposing coding for new law in Minnesota Statutes, chapters 53B; 80A; 82B; 82C; 345; repealing Minnesota Statutes 2024, sections 48.158; 53B.69, subdivisions 3b, 3c; 53B.75, subdivisions 1, 2, 3, 4, 5.

May 16, 2026

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 4188 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 4188, the second engrossment, be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CONSUMER PROTECTION, FINANCIAL PRODUCTS, AND INSURANCE

Section 1. Minnesota Statutes 2025 Supplement, section 8.37, subdivision 3, is amended to read:

Subd. 3. **Money deposited in the account.** ~~50~~ Fifty percent of all money recovered by the attorney general in a consumer enforcement action that is payable to the state and not designated as consumer enforcement public compensation or for another specific purpose up to the first ~~$5,000,000~~ $10,000,000 each fiscal year must be

deposited into the account. The remaining 50 percent of money recovered by the attorney general in a consumer enforcement action that is payable to the state and not designated as consumer enforcement public compensation or for another specific purpose must be deposited into the general fund. For purposes of this subdivision, the amount of money recovered in a consumer enforcement action that must be deposited into the fund is determined at the time when the money otherwise would have been deposited into the general fund.

Sec. 2. Minnesota Statutes 2025 Supplement, section 8.37, subdivision 5, is amended to read:

Subd. 5. **Distributions to eligible consumers.** (a) Money in the account may be distributed to any eligible consumer with an identified amount of unpaid consumer enforcement public compensation. ~~If the amount of money in the account is insufficient to pay all distributions to eligible consumers with an identified amount of unpaid consumer enforcement public compensation, the~~ Money must be distributed first to consumers eligible for unpaid consumer enforcement public compensation based on a consumer enforcement action with a final order of the oldest date.

~~(b) If the attorney general projects that there will be insufficient funding to pay all eligible consumers from the funds available on an ongoing basis, the attorney general may recommend to the legislature that the legislature prescribe a formula for prorating or capping payments to eligible consumers so that more eligible consumers will receive payment from the fund.~~

(b) If money is distributed to an eligible consumer, the distribution is limited to:

(1) the full identified amount of unpaid consumer enforcement public compensation, up to $50,000; and

(2) 50 percent of the identified amount of unpaid consumer enforcement public compensation over $50,000, or $50,000, whichever is less.

Sec. 3. Minnesota Statutes 2024, section 47.20, subdivision 1, is amended to read:

Subdivision 1. **General authority.** Pursuant to rules the commissioner of commerce finds to be necessary and proper, if any, banks, savings banks, and savings associations organized under the laws of this state or the United States, trust companies, trust companies acting as fiduciaries, and other banking institutions subject to the supervision of the commissioner of commerce, including residential mortgage originators and servicers under chapter 58, and mortgagees or lenders approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration or any successor, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association, are authorized:

(1) to make loans and advances of credit and purchases of obligations representing loans and advances of credit which are insured or guaranteed by the secretary of housing and urban development pursuant to the National Housing Act, as amended, or the administrator of veterans affairs pursuant to the Servicemen's Readjustment Act of 1944, as amended, or the administrator of the Farmers Home Administration or any successor pursuant to the Consolidated Farm and Rural Development Act, Public Law 87-128, as amended, and to obtain the insurance or guarantees;

(2) to make loans secured by mortgages on real property and loans secured by a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation which the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the Farmers Home Administration or any successor has insured or guaranteed or made a commitment to insure or guarantee, and to obtain the insurance or guarantees;

(3) to make, purchase, or participate in such loans and advances of credit; including reverse mortgage loans, notwithstanding anything in subdivision 4b, sections 47.58 and 334.01, and chapter 56 or 58 to the contrary; as would be eligible for purchase, in whole or in part, by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, but without regard to any limitation placed upon the maximum principal amount of an eligible loan; and

(4) to make, purchase or participate in such loans and advances of credit secured by mortgages on real property which are authorized or allowed by the Office of Thrift Supervision or the Office of the Comptroller of the Currency, or any successor to these federal agencies.

Sec. 4. Minnesota Statutes 2024, section 47.59, subdivision 1, is amended to read:

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

(a) "Actuarial method" has the meaning given the term in Code of Federal Regulations, title 12, part 226, and appendix J thereto.

(b) "Annual percentage rate" has the meaning given the term in Code of Federal Regulations, title 12, part 226, but using the definition of "finance charge" used in this section.

(c) "Borrower" means a debtor under a loan or a purchaser or debtor under a credit sale contract.

(d) "Business purpose" means a purpose other than a personal, family, household, or agricultural purpose.

(e) "Cardholder" means a person to whom a credit card is issued or who has agreed with the financial institution to pay obligations arising from the issuance to or use of the card by another person.

(f) "Consumer loan" means a loan made by a financial institution in which:

(1) the debtor is a person other than an organization;

(2) the debt is incurred primarily for a personal, family, or household purpose; and

(3) the debt is payable in installments or a finance charge is made.

(g) "Credit" means the right granted by a financial institution to a borrower to defer payment of a debt, to incur debt and defer its payment, or to purchase property or services and defer payment.

(h) "Credit card" means a card or device issued under an arrangement pursuant to which a financial institution gives to a cardholder the privilege of obtaining credit from the financial institution or other person in purchasing or leasing property or services, obtaining loans, or otherwise. A transaction is "pursuant to a credit card" only if credit is obtained according to the terms of the arrangement by transmitting information contained on the card or device orally, in writing, by mechanical or electronic methods, or in any other manner. A transaction is not "pursuant to a credit card" if the card or device is used solely in that transaction to:

(1) identify the cardholder or evidence the cardholder's creditworthiness and credit is not obtained according to the terms of the arrangement;

(2) obtain a guarantee of payment from the cardholder's deposit account, whether or not the payment results in a credit extension to the cardholder by the financial institution; or

(3) effect an immediate transfer of funds from the cardholder's deposit account by electronic or other means, whether or not the transfer results in a credit extension to the cardholder by the financial institution.

(i) "Credit sale contract" means a contract evidencing a credit sale. "Credit sale" means a sale of goods or services, or an interest in land, in which:

(1) credit is granted by a seller who regularly engages as a seller in credit transactions of the same kind; and

(2) the debt is payable in installments or a finance charge is made.

(j) "Finance charge" has the meaning given in Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of default or delinquency under subdivision 6 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, and a charge made for an extension or deferment under subdivision 5, unless the parties agree that these charges are finance charges;

(2) an additional charge under subdivision 6;

(3) a discount, if a financial institution purchases a loan at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder pursuant to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation;

(4) fees paid by a borrower to a broker, provided the financial institution or a person described in subdivision 4 does not require use of the broker to obtain credit; or

(5) a commission, expense reimbursement, or other sum received by a financial institution or a person described in subdivision 4 in connection with insurance described in subdivision 6.

(k) "Financial institution" means a state or federally chartered bank, a state or federally chartered bank and trust, a trust company with banking powers, a state or federally chartered saving bank, a state or federally chartered savings association, an industrial loan and thrift company organized under chapter 53, a sales finance company organized under chapter 53C, a regulated lender organized under chapter 56, a mortgage originator or servicer licensed under chapter 58, or an operating subsidiary of any such institution.

(l) "Loan" means:

(1) the creation of debt by the financial institution's payment of money to the borrower or a third person for the account of the borrower;

(2) the creation of debt pursuant to a credit card in any manner, including a cash advance or the financial institution's honoring a draft or similar order for the payment of money drawn or accepted by the borrower, paying or agreeing to pay the borrower's obligation, or purchasing or otherwise acquiring the borrower's obligation from the obligee or the borrower's assignee;

(3) the creation of debt by a cash advance to a borrower pursuant to an overdraft line of credit arrangement;

(4) the creation of debt by a credit to an account with the financial institution upon which the borrower is entitled to draw immediately;

(5) the forbearance of debt arising from a loan; and

(6) the creation of debt pursuant to open-end credit.

"Loan" does not include the forbearance of debt arising from a sale or lease, a credit sale contract, or an overdraft from a person's deposit account with a financial institution which is not pursuant to a written agreement to pay overdrafts with the right to defer repayment thereof.

(m) "Official fees" means:

(1) fees and charges which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating, or satisfying a security interest or mortgage relating to a loan or credit sale, and any separate fees or charges which actually are or will be paid to public officials for recording a notice described in section 580.032, subdivision 1; and

(2) premiums payable for insurance in lieu of perfecting a security interest or mortgage otherwise required by a financial institution in connection with a loan or credit sale, if the premium does not exceed the fees and charges described in clause (1), which would otherwise be payable.

(n) "Organization" means a corporation, government, government subdivision or agency, trust, estate, partnership, joint venture, cooperative, limited liability company, limited liability partnership, or association.

(o) "Person" means a natural person or an organization.

(p) "Principal" means the total of:

(1) the amount paid to, received by, or paid or repayable for the account of, the borrower; and

(2) to the extent that payment is deferred:

(i) the amount actually paid or to be paid by the financial institution for additional charges permitted under this section; and

(ii) prepaid finance charges.

Sec. 5. Minnesota Statutes 2024, section 47.60, subdivision 1, is amended to read:

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

(a) "Consumer small loan" is a loan transaction in which cash is advanced to a borrower for the borrower's own personal, family, or household purpose. A consumer small loan is a short-term, unsecured loan to be repaid in a single installment. The cash advance of a consumer small loan is equal to or less than $350. A consumer small loan includes an indebtedness evidenced by but not limited to a promissory note or agreement to defer the presentation of a personal check for a fee.

(b) "Consumer small loan lender" is a financial institution as defined in section 47.59 or a business entity registered with the commissioner and engaged in the business of making <u>or arranging</u> consumer small loans. <u>For purposes of this paragraph, arranging a consumer small loan includes but is not limited to any substantial involvement to facilitate, market, generate leads for, underwrite, or collect a consumer small loan.</u>

(c) "Annual percentage rate" means a measure of the cost of credit, expressed as a yearly rate, that relates the amount and timing of value received by the consumer to the amount and timing of payments made. Annual percentage rate includes all interest, finance charges, and fees. The annual percentage rate must be determined in accordance with either the actuarial method or the United States Rule method.

Sec. 6. Minnesota Statutes 2024, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted under chapters 47 and 334. Loans made under this authority must be in amounts in compliance with section 53.05, clause (7). A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section 47.601, subdivision 1, paragraph ~~(d)~~ (e), must comply with section 47.601.

(b) Loans made under this subdivision may be secured by real or personal property, or both. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

(d) This subdivision does not authorize an industrial loan and thrift company to make loans under an overdraft checking plan.

Sec. 7. Minnesota Statutes 2024, section 53B.74, is amended to read:

53B.74 VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL REQUIREMENTS.

(a) A licensee engaged in virtual currency business activities ~~may include virtual currency in the licensee's calculation of tangible net worth, by measuring the average value of the virtual currency in United States dollar equivalent over the prior six months, excluding control of virtual currency for a person entitled to the protections under section 53B.73.~~ is not required to subtract virtual currency from total assets in the licensee's calculation of tangible net worth if:

(1) the licensee's day-to-day business includes incurring obligations to customers denominated in the virtual currency;

(2) the virtual currency asset has a corresponding liability denominated in the virtual currency;

(3) the virtual currency is unencumbered; and

(4) the virtual currency assets that are not subtracted from total assets are limited to the virtual currency assets that have a corresponding liability denominated in the same virtual currency.

(b) A licensee must maintain, for all virtual-currency business activity with or on behalf of a person five years after the date of the activity, a record of:

(1) each of the licensee's transactions with or on behalf of the person, or for the licensee's account in Minnesota, including:

(i) the identity of the person;

(ii) the form of the transaction;

(iii) the amount, date, and payment instructions given by the person; and

(iv) the account number, name, and United States Postal Service address of the person, and, to the extent feasible, other parties to the transaction;

(2) the aggregate number of transactions and aggregate value of transactions by the licensee with or on behalf of the person and for the licensee's account in this state, expressed in the United States dollar equivalent of the virtual currency for the previous 12 calendar months;

(3) each transaction in which the licensee exchanges one form of virtual currency for money or another form of virtual currency with or on behalf of the person;

(4) a general ledger posted at least monthly that lists all of the licensee's assets, liabilities, capital, income, and expenses;

(5) each business-call report the licensee is required to create or provide to the department or NMLS;

(6) bank statements and bank reconciliation records for the licensee and the name, account number, and United States Postal Service address of each bank the licensee uses to conduct virtual-currency business activity with or on behalf of the person;

(7) a report of any dispute with the person; and

(8) a report of any virtual-currency business activity transaction with or on behalf of a person which the licensee was unable to complete.

(c) A licensee must maintain records required by paragraph (b) in a form that enables the commissioner to determine whether the licensee is in compliance with this chapter, any court order, and law of Minnesota other than this chapter.

Sec. 8. Minnesota Statutes 2024, section 53C.09, subdivision 4, is amended to read:

Subd. 4. **Other law may apply.** In lieu of this section and sections 53C.01, subdivisions 2, 4, and 13; 53C.08; 53C.10; and 53C.11, a retail seller or sales finance company may proceed under section 47.59 ~~relating to credit sales made by a third party~~, subdivisions 4, 4a, and 6. In cases where the retail seller or sales finance company proceeds under section 47.59, the remaining provisions of sections 53C.01 to 53C.14 apply notwithstanding section 47.59.

Sec. 9. Minnesota Statutes 2024, section 56.002, is amended to read:

56.002 APPLICATION.

This chapter does not apply to a person doing business under and as permitted by any law of this state or of the United States relating to banks, savings associations, trust companies, licensed pawnbrokers, a residential mortgage originator or servicer licensed under chapter 58 that offers residential mortgage origination services or residential mortgage servicing, or credit unions. Notwithstanding the provisions of section 56.01, an industrial loan and thrift company under chapter 53 may contract for and receive the charges, including those in section 56.155, authorized by this chapter without being licensed pursuant to this chapter, but shall comply with all other provisions of this chapter when contracting for or receiving charges on loans regulated by this chapter.

Sec. 10. Minnesota Statutes 2024, section 56.01, is amended to read:

56.01 NECESSITY OF LICENSE.

(a) Except as authorized by this chapter and without first obtaining a license from the commissioner, no person shall engage in the business of making loans of money, credit, goods, or things in action, in an amount or of a value not exceeding that specified in section 56.131, subdivision 1, and charge, contract for, or receive on the loan a greater rate of interest, discount, or consideration than the lender would be permitted by law to charge if not a licensee under this chapter. A person must obtain a license from the commissioner under this chapter before arranging a consumer short-term loan under section 47.601.

(b) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to be licensed under this chapter in order to purchase or take assignments of mortgage loans from licensees under this chapter.

Sec. 11. Minnesota Statutes 2024, section 56.05, is amended to read:

56.05 LICENSE; TO BE POSTED.

(a) The license shall state the address at which the business is to be conducted and shall state fully the name of the licensee, and if the licensee is a copartnership or association, the names of the members thereof, and if a corporation, the date and place of its incorporation.

(b) The license shall be kept conspicuously posted in the place of business of the licensee, and shall not be transferable or assignable. For a licensee that offers service via the Internet, the license number must be clearly displayed on each web page or other document required by an order issued by the commissioner.

Sec. 12. Minnesota Statutes 2024, section 58.06, subdivision 2, is amended to read:

Subd. 2. **Application contents.** (a) The application must contain the name and complete business address or addresses of the license applicant. The license applicant must be a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and the application must contain the names and complete business addresses of each partner, member, director, and principal officer. The application must also include a description of the activities of the license applicant, in the detail and for the periods the commissioner may require.

(b) ~~A residential mortgage originator~~ An applicant must submit a surety bond that meets the requirements of section 58.08, subdivision 1a.

(c) The application must also include all of the following:

(1) an affirmation under oath that the applicant:

(i) is in compliance with the requirements of section 58.125;

(ii) will advise the commissioner of any material changes to the information submitted in the most recent application within ten days of the change;

(iii) will advise the commissioner in writing immediately of any bankruptcy petitions filed against or by the applicant or licensee;

(iv) will maintain at all times a surety bond in the amount of at least ~~$100,000~~ $125,000;

(v) complies with federal and state tax laws; and

(vi) complies with sections 345.31 to 345.60, the Minnesota unclaimed property law;

(2) information as to the mortgage lending, servicing, or brokering experience of the applicant and persons in control of the applicant;

(3) information as to criminal convictions, excluding traffic violations, of persons in control of the license applicant;

(4) whether a court of competent jurisdiction has found that the applicant or persons in control of the applicant have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit in performing an act for which a license is required under this chapter;

(5) whether the applicant or persons in control of the applicant have been the subject of: an order of suspension or revocation, cease and desist order, or injunctive order, or order barring involvement in an industry or profession issued by this or another state or federal regulatory agency or by the Secretary of Housing and Urban Development within the ten-year period immediately preceding submission of the application; and

(6) other information required by the commissioner.

Sec. 13. **[58.131] RESIDENTIAL MORTGAGE LOAN SERVICING STANDARDS.**

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

(b) "Authorized representative" means a person, including but not limited to an attorney, employee, or agent of a government agency, not-for-profit housing counseling organization, or legal services organization, designated by a borrower in a written authorization signed by the borrower or in any other form of verifiable authorization to share information and communicate with a servicer on behalf of the borrower.

(c) "Clearly and conspicuously" means the statement, representation, or term being disclosed is displayed in a size, color, and contrast and is presented in a manner that makes the statement readily noticed and understood by an ordinary consumer.

(d) "Government-sponsored enterprise" means the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(e) "Real Estate Settlement Procedures Act" or "RESPA" means the Real Estate Settlement Procedures Act of 1974, United States Code, title 12, section 2601, et seq., and regulations adopted pursuant to RESPA, also known as Regulation X, Code of Federal Regulations, title 12, part 1024, as amended.

(f) "Third-party provider" means any person or entity retained by or on behalf of the servicer, including but not limited to foreclosure firms, law firms, foreclosure trustees, other agents, independent contractors, subsidiaries, and affiliates, that provides insurance, foreclosure, bankruptcy, mortgage servicing including loss mitigation, or other products or services in connection with servicing a mortgage loan.

(g) "Transferee servicer" means a servicer that has agreed to obtain the right to service a mortgage loan pursuant to an agreement or understanding.

(h) "Transferor servicer" means a servicer that has agreed to, or been informed that the servicer must, transfer the right to service a mortgage loan to another servicer.

Subd. 2. **General requirements.** (a) A violation of an applicable state law or administrative rule, a federal law or regulation, or a state or federal program is a violation of this section.

(b) In addition to complying with this section, a servicer must comply with:

(1) other applicable sections of this chapter;

(2) other applicable state law, including but not limited to chapters 46A, 47, 580, 581, and 582;

(3) applicable sections of RESPA;

(4) the federal Servicemembers Civil Relief Act, United States Code, title 50, section 501, et seq.; and

(5) other applicable federal laws and implementing regulations, as amended, including but not limited to:

(i) the Gramm-Leach-Bliley Act, Public Law 106-102;

(ii) the Truth-in-Lending Act, United States Code, title 15, section 1601, et seq.; and

(iii) the Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x.

Subd. 3. **Servicing and ownership transfers or sales.** (a) When acquiring servicing rights from a transferor servicer, a transferee servicer must continue processing loan modification requests and honoring trial and permanent modifications.

(b) When transferring or selling loan servicing with pending modification requests or trial or permanent modifications, a transferor servicer must:

(1) inform the transferee servicer if a loan modification is pending; and

(2) obligate the transferee servicer to (i) accept and continue processing loan modification requests, and (ii) honor trial and permanent loan modification agreements.

Subd. 4. **Payment processing and fees.** (a) A servicer must comply with section 47.59, subdivision 9a, regarding prompt crediting of payments, if the borrower has provided sufficient information to credit the account. A servicer must apply the payment as specified in the loan documents.

(b) A servicer may enter into a written contract with the borrower that allows the servicer to hold certain types of money, or money sent by a certain method, for a period of time until the money is available before crediting the money to the borrower's account.

(c) A servicer must notify the borrower if a payment is received, not credited, and placed in a suspense account. The servicer must send the notification to the borrower within ten business days by United States mail to the borrower's last known address. The notification must identify (1) the reason the payment was not credited or treated as credited to the account, and (2) any actions the borrower must take to make the residential mortgage loan current. If a servicer provides monthly or more frequent statements that include the information under this paragraph, the servicer is not required to provide the information in an additional notice. If this paragraph conflicts with the requirements of an applicable bankruptcy court order, compliance with the bankruptcy court requirements constitutes compliance with this paragraph or paragraph (d).

(d) When a suspense account contains enough money to make a full payment, a servicer must apply the payment to the mortgage on the date the full amount became available in the suspense account.

(e) A servicer must assess an incurred fee to a borrower's account within 60 days of the date the fee was incurred. A servicer must clearly and conspicuously explain the fee in a statement mailed to the borrower at the borrower's last known address no more than 30 days after the date the fee is assessed. If a servicer provides monthly or more frequent statements that include the information under this paragraph, the servicer is not required to provide the information in an additional notice.

Subd. 5. **Contracting with third-party providers.** A servicer must adopt written policies and procedures governing the oversight of third-party providers, including but not limited to foreclosure trustees, foreclosure firms, subservicers, agents, subsidiaries, and affiliates. A servicer must maintain the policies and procedures as part of the servicer's books and records and must provide the policies and procedures to the commissioner upon request.

Subd. 6. **Maintenance of the escrow account.** (a) If a servicer collects escrow amounts held for the borrower to pay insurance, taxes, or other charges with respect to the property, the servicer must collect and make all payments from the escrow account. To the extent the servicer has control, the servicer must ensure that no late penalties are assessed or other negative consequences result for the borrower.

(b) At least annually or upon the borrower's request, a servicer must inform the borrower in writing regarding the amount of reserve required in an escrow account. The notice must advise the borrower of any fees the borrower incurs (1) for not maintaining the reserve amount, or (2) if the servicer advances escrow amounts on the borrower's behalf and subsequently collects the escrow amounts from the borrower.

(c) A servicer may enter into a written agreement with the borrower that specifies the servicer is not required to make escrow payments unless money is available in the escrow account. An agreement under this paragraph must include language that provides notice to the borrower that the borrower is responsible to pay the escrow amounts if an amount sufficient to pay the escrow amounts is not maintained in the escrow account.

(d) A servicer must notify the borrower within ten business days of the date a change is made to the escrow account that modifies the borrower's escrow payment amount. A change requiring notification includes but is not limited to hazard insurance premiums, a reduction in the required reserve amount for the account, or a change in the property's tax assessment. A change resulting from a borrower's regularly scheduled payment is not a change requiring notification.

Subd. 7. **Borrower requests for information.** (a) A servicer must make a reasonable attempt to comply with a borrower's request for information, including a request for information about loss mitigation, regarding the residential mortgage loan account and must respond to a dispute initiated by the borrower about the loan account. A reasonable attempt under this subdivision includes but is not limited to:

(1) maintaining written or electronic records of each written request for information involving the borrower's account until the residential mortgage loan is paid in full, sold, or otherwise satisfied; and

(2) providing a written statement to the borrower within 30 business days of the date a written request is received from the borrower or by following the response timelines provided by a loss mitigation program. A borrower's request must include the borrower's name and account number, if any, a statement that the account is or may be in error, and sufficient detail regarding the information sought by the borrower to permit the servicer to comply.

(b) At a minimum, a servicer must provide the following information in response to a borrower request received under this subdivision:

(1) whether the account is current or, if the account is not current, an explanation regarding the default and the date the account entered default;

(2) the current balance due on the residential mortgage loan, including the principal due; the amount of money, if any, held in a suspense account; the amount of the escrow balance known to the servicer, if any; and whether any escrow deficiencies or shortages are known to the servicer;

(3) the identity, address, and other relevant information about the current holder, owner, or assignee of the residential mortgage loan; and

(4) the telephone number and mailing address of an individual servicer representative with the information and authority to answer questions and resolve disputes.

(c) A servicer must promptly correct errors and refund fees assessed to the borrower resulting from an error the servicer made.

(d) If the content of a servicer's response meets the requirements under RESPA for a response to a qualified written request, the servicer has complied with this subdivision. A servicer deemed compliant with this subdivision under this paragraph must separately comply with paragraph (c).

(e) In addition to the statement described under paragraph (a), clause (2), a borrower may request more detailed information from a servicer. A servicer that receives a request under this paragraph must provide the information to the borrower within 30 business days of the date a written request from the borrower is received. A borrower's request must include the borrower's name and account number, if any, a statement that the account is or may be in error, and sufficient detail to the servicer regarding information sought by the borrower. If requested by the borrower, a statement provided under this paragraph must also include:

(1) a copy of the original note or, if the original note is unavailable, an affidavit of lost note that includes all endorsements; and

(2) a statement that (i) identifies and itemizes all fees and charges assessed under the loan servicing transaction, (ii) provides a full payment history that identifies in a clear and conspicuous manner all the debits, credits, applications, and disbursements of all payments received from or for the benefit of the borrower, and (iii) identifies other activity on the residential mortgage loan, including escrow account activity and suspense account activity, if any.

(f) For purposes of a borrower request made under paragraph (e) the account history period must cover, at a minimum, the two-year period before the date the request for information is received. If the servicer has not serviced the residential mortgage loan for the entire two-year period, the servicer must provide the information back to the date on which the servicer began servicing the residential mortgage loan and must identify the previous servicer, if known. If a servicer claims delinquent or outstanding sums are owed on the residential mortgage loan prior to the two-year period or the period during which the servicer has serviced the residential mortgage loan, the servicer must provide an account history beginning with the month that the servicer claims any outstanding sums are owed on the residential mortgage loan up to the date the request for the information is received.

(g) If the borrower requests a statement under paragraph (e), a servicer must provide the statement free of charge. A borrower is entitled to only one free statement annually under this paragraph. If a borrower requests more than one statement annually, a servicer may charge $30 for the second and each subsequent statement.

Subd. 8. **Borrower complaints and inquiries.** (a) A servicer must establish and maintain:

(1) procedures and systems to respond to and resolve borrower complaints and inquiries in a manner that complies with this section;

(2) a customer service department staffed by trained personnel to whom a borrower may direct complaints and inquiries; and

(3) a toll-free telephone number or collect calling service that enables a borrower to speak, during regular business hours, with a live person trained to answer inquiries and instruct borrowers how to file written complaints.

(b) Each welcome packet, periodic statement, including as applicable either the monthly mortgage statement or annual coupon book that is provided to a borrower, and website maintained by a servicer must clearly and conspicuously state:

(1) an address to which borrowers may direct complaints and inquiries;

(2) the toll-free telephone number or collect calling services provided by the servicer;

(3) whether the servicer is licensed with the commissioner; and

(4) that a borrower may file a complaint and obtain information about the servicer by contacting the Department of Commerce. The information provided under this clause must include the department's current telephone contact information and website.

(c) A servicer must establish and maintain a process that enables borrowers to escalate complaints or pending loss mitigation matters for a supervisory-level review.

Subd. 9. **Servicing prohibitions; fair dealing duty.** (a) In addition to the prohibitions and standards of conduct under sections 58.12, subdivision 1, paragraph (b), and 58.13, subdivision 1, a servicer is prohibited from:

(1) engaging in unfair, deceptive, or abusive business practices, or misrepresenting or omitting any material information, in connection with servicing a mortgage loan, including but not limited to misrepresenting the amount, nature, or terms of a fee, payment due, or payment claimed due on the loan, the servicing agreement's terms and conditions, or the borrower's obligations under the loan;

(2) requiring money to be remitted by a method that is more costly to the borrower than a bank, certified check, or attorney's check from an attorney's account; or

(3) refusing to communicate with the borrower's authorized representative if the authorized representative provides the servicer with a written authorization, including by electronic transmission, signed by the borrower that affirms the authorized representative may act on behalf of the borrower. A servicer may adopt procedures, excluding collecting the representative's Social Security number, that are reasonably related to verifying that the representative is in fact authorized to act on behalf of the borrower.

(b) A servicer must act in good faith and deal fairly in the servicer's dealings with a borrower in connection with servicing a borrower's mortgage loan. For purposes of this paragraph, acting in good faith and dealing fairly includes but is not limited to the duty to:

(1) safeguard and account for any payment made by the borrower or any money belonging to the borrower;

(2) follow reasonable and lawful instructions from the borrower that are consistent with the underlying note and mortgage;

(3) act with reasonable skill, care, and diligence;

(4) consider alternatives to foreclosure when a borrower (i) demonstrates that the borrower is in imminent risk of delinquency on the mortgage loan as a result of a financial hardship, or (ii) has experienced a financial hardship and is unable to maintain the payment at the current payment amount required under the mortgage loan or make delinquent payments; and

(5) structure loan modifications to result in payments that are reasonably affordable and sustainable for the borrower at the time the modification is made.

Subd. 10. **Notices; mailings; evidence of receipt.** (a) A notification, mailing, or other correspondence from a mortgage servicer or third-party provider to a borrower must be provided via first-class mail or email if the borrower has provided an email address for notice or communication purposes.

(b) A servicer must provide a mailing address, facsimile number, email address, and a method to facilitate file transfers via the Internet to produce documents requested from the borrower. An option to transfer files via the Internet must allow both the borrower and servicer to view the documents sent and confirm the date the documents were sent for 60 months after the date the documents were produced to the servicer.

(c) A servicer must provide a detailed description of all items received and the items' expiration dates from a borrower within ten business days of the date an item was received via any medium described under this subdivision.

(d) A servicer is prohibited from rejecting documentation from a borrower or potential borrower as incomplete without providing the borrower with details regarding which specific portion of the documentation is incomplete.

Sec. 14. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person must investigate and attempt to resolve complaints made regarding acts or practices subject to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain a file containing all materials relating to the complaint and subsequent investigation for a period of 60 months.

Sec. 15. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

Subd. 4. **Trust account records for mortgage originators.** A residential mortgage originator or servicer shall keep and maintain for 60 months a record of all trust funds, sufficient to identify the transaction, date and source of receipt, and date and identification of disbursement.

Sec. 16. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

Subd. 5. **Record retention.** A licensee or exempt person must keep and maintain for 60 months the business records, including email communications, telephone recordings, incomplete documentation, and advertisements, regarding residential mortgage loans applied for, originated, or serviced in the course of its business.

Sec. 17. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to read:

Subd. 6. **Telephone recordings.** A person acting as a residential mortgage loan servicer that services at least 500 residential mortgage loans secured by property in Minnesota must:

(1) record a telephone conversation with a borrower and a borrower's representatives; and

(2) maintain the recording of the conversation for 60 months after the date the recording is made, as provided under subdivision 5.

Sec. 18. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated by a federal or state chartered bank, savings bank, or credit union, unless the residential mortgage loan originated by a federal or state chartered bank, savings bank, or credit union is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision 20.

Sec. 19. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to read:

Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program" means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You Earn Plan, and any other state, federal, or private student loan repayment plan that is calculated based on a borrower's income and for which a borrower's income may include the borrower's household income for purposes of evaluating eligibility under section 58B.06, subdivision 5.

Sec. 20. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended to read:

Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making, or extending student loans. Lender does not include~~, to the extent that state regulation is preempted by federal law~~:

(1) a bank, savings banks, savings and loan association, or credit union;

(2) a wholly owned subsidiary of a bank or credit union;

(3) an operating subsidiary where each owner is wholly owned by the same bank or credit union;

(4) the United States government, through Title IV of the Higher Education Act of 1965, as amended, and administered by the United States Department of Education;

(5) an agency, instrumentality, or political subdivision of Minnesota;

(6) a regulated lender organized under chapter 56, except that a regulated lender must file the annual report required for lenders under section 58B.03, subdivision 10; or

(7) a person who is not in the business of making student loans and who makes no more than three student loans, with the person's own funds, during any 12-month period.

Sec. 21. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to read:

Subd. 10. **Written communication.** "Written communication" means a written correspondence that is made by a borrower and is transmitted by mail, facsimile, or electronically through an email address or Internet website that the student loan servicer designates to receive communications from a borrower and enables the student loan servicer to identify the borrower's name and account. Written communication does not include a notice on a payment medium supplied by a student loan servicer.

Sec. 22. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

Subd. 10. **Annual report.** (a) ~~Beginning~~ On or before March 15~~, 2025~~ each year, a student loan lender that secures, makes, or extends student loans in Minnesota must submit a report to the commissioner on the form the commissioner provides. The report must include for the previous calendar year:

(1) a list of all schools attended by borrowers who received a student loan from the student loan lender and resided within Minnesota at the time of the transaction and whose debt is still outstanding, including student loans used to refinance an existing debt;

(2) the total outstanding dollar amount owed by borrowers residing in Minnesota who received student loans from the student loan lender;

(3) the total number of student loans owed by borrowers residing in Minnesota who received student loans from the student loan lender;

(4) the total outstanding dollar amount and number of student loans owed by borrowers who reside in Minnesota, associated with each school identified under clause (1);

(5) the total dollar amount of student loans provided by the student loan lender to borrowers who resided in Minnesota in the prior calendar year;

(6) the total outstanding dollar amount and number of student loans owed by borrowers who resided in Minnesota, associated with each school identified under clause (1), that were provided in the prior calendar year;

(7) the rate of default for borrowers residing in Minnesota who obtained student loans from the student loan lender, if applicable;

(8) the rate of default for borrowers residing in Minnesota who obtained student loans from the student loan lender associated with each school identified under clause (1), if applicable;

(9) the range of initial interest rates for student loans provided by the student loan lender to borrowers who resided in Minnesota in the prior calendar year;

(10) the total number of borrowers who received student loans identified under clause (9), and the percentage of borrowers who received each rate identified under clause (9);

(11) the total dollar amount and number of student loans provided in the prior calendar year by the student loan lender to borrowers who resided in Minnesota at the time of the transaction and had a cosigner for the student loans;

(12) the total dollar amount and number of student loans provided by the student loan lender to borrowers residing in Minnesota used to refinance a prior student loan or federal student loan in the prior calendar year;

(13) the total dollar amount and number of student loans for which the student loan lender had sued to collect from a borrower residing in Minnesota in the prior calendar year;

(14) a copy of any model promissory note, agreement, contract, or other instrument used by the student loan lender in the previous year to substantiate that a borrower owes a new debt to the student loan lender; and

(15) any other information considered necessary by the commissioner to assess the total size and status of the student loan market and well-being of borrowers in Minnesota.

(b) In addition to annual reports, the commissioner may require additional regular or special reports as the commissioner deems necessary to properly supervise student loan lenders under this chapter.

(c) The commissioner of commerce must share data collected under this subdivision with the commissioner of higher education.

Sec. 23. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

Subd. 11. **Annual report from student loan servicers.** (a) ~~Beginning~~ On or before March 15~~, 2025~~ each year, a student loan servicer that services student loans in Minnesota must submit a report to the commissioner on the form the commissioner provides. The report must include for the previous calendar year:

(1) a list of any outstanding student loans owed by borrowers who reside in Minnesota that are serviced by the student loan servicer;

(2) the total outstanding dollar amount and number of student loans that are serviced by the student loan servicer and owed by borrowers who reside in Minnesota;

(3) the total dollar amount and number of student loans owed by borrowers who resided in Minnesota that were serviced by the student loan servicer in the prior calendar year;

(4) the rate of default for student loans owed by borrowers who reside in Minnesota that are serviced by the student loan servicer, if applicable;

(5) the range of interest rates for student loans serviced by the student loan servicers to borrowers who resided in Minnesota in the prior calendar year;

(6) the total outstanding dollar amount and number of student loans that were serviced by the student loan servicer and owed by borrowers residing in Minnesota to refinance a prior student loan or federal student loan; and

(7) any other information considered necessary by the commissioner to assess the total size and status of the student loan market and well-being of borrowers in Minnesota.

(b) In addition to annual reports, the commissioner may require additional regular or special reports as the commissioner deems necessary to properly supervise student loan servicers under this chapter.

(c) The commissioner of commerce must share data collected under this subdivision with the commissioner of higher education.

Sec. 24. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer must~~:~~ protect the borrower from negative consequences resulting from the sale, assignment, transfer, system conversion, or payment the borrower makes to the original loan servicer consistent with the original student loan servicer's policy. For purposes of this paragraph, "negative consequences" includes but is not limited to: (1) negative credit reporting; (2) imposing late fees that are not required by the promissory note; or (3) eligibility loss or denial for a benefit or protection established under federal law or included in the loan contract.

~~(1) require the new student loan servicer to honor all benefits that were made available, or which may have become available, to a borrower from the original student loan servicer or are authorized under the student loan contract, including any benefits for which the student loan borrower has not yet qualified unless that benefit is no longer available under the federal or state laws and regulations; and~~

~~(2) transfer to the new student loan servicer all information regarding the borrower, the account of the borrower, and the borrower's student loan, including but not limited to the repayment status of the student loan and the benefits described in clause (1).~~

~~(b) The student loan servicer must complete the transfer under paragraph (a), clause (2), less than 45 days from the date of the sale, assignment, or transfer of the servicing.~~

~~(c) A sale, assignment, or transfer of the servicing must be completed no less than seven days from the date the next payment is due on the student loan.~~

~~(d) A new student loan servicer must adopt policies and procedures to verify that the original student loan servicer has met the requirements of paragraph (a).~~

(b) If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original and new student loan servicer must provide a written notice to the borrower subject to the transfer. The notice must be provided no less than 15 calendar days before the transfer's effective date and must include:

(1) the sale, assignment, or transfer's effective date;

(2) the name, address, website, and toll-free telephone number for the original student loan servicer's designated point of contact for the borrower to contact in order to obtain answers to servicing inquiries;

(3) the name, address, website, and toll-free telephone number for the new student loan servicer's designated point of contact for the borrower to contact in order to obtain answers to servicing inquiries;

(4) the date the original student loan servicer stops accepting payments on the borrower's student loan;

(5) the date the new student loan servicer begins accepting payments on the borrower's student loan;

(6) information that indicates whether the borrower's authorization for recurring electronic funds transfers, if applicable, is transferred to the new servicer. If a recurring electronic funds transfer is not transferred, the transferee must provide information that explains how the borrower may establish a new recurring electronic funds transfer with the new servicer; and

(7) a statement that indicates the current loan balance, including the current unpaid amount of principal, interest, and fees.

(c) If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer must ensure all necessary information regarding a borrower, a borrower's account, and a borrower's student loan accompanies a loan when the loan is transferred to a new student loan servicer. The transfer of necessary information must occur within 45 calendar days of the sale, assignment, or transfer's effective date. For purposes of this subdivision, "necessary information" includes but is not limited to:

(1) a schedule of all transactions credited or debited to the student loan account;

(2) a copy of the promissory note for the student loan;

(3) notes created by the student loan servicer's personnel that reflect communications with the borrower regarding the student loan account;

(4) a report of the data fields relating to the borrower's student loan account created by the student loan servicer's electronic systems in connection with servicing practices;

(5) copies or electronic records of information or documents the borrower provided to the student loan servicer;

(6) if applicable, usable data fields that contain information necessary to assess the borrower's eligibility for forgiveness, including public service loan forgiveness; and

(7) information necessary to compile a payment history.

(d) A new student loan servicer must adopt and implement policies and procedures to verify that the original student loan servicer meets the requirements of paragraph (c).

Sec. 25. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

Subd. 6. **Records.** A student loan servicer must maintain ~~adequate~~ complete and accurate records, including of all written communication and telephone recordings, for each student loan. The records must be maintained for ~~not less than~~ at least two years following the final payment on the student loan or the sale, assignment, or transfer of the servicing.

Sec. 26. **[59E.01] SHORT TITLE.**

This chapter shall be known and cited as the "Rental Home Marketplace Guarantees Act. "

Sec. 27. **[59E.02] DEFINITIONS.**

(a) For purposes of this chapter, the following terms have the meanings given.

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

(c) "Person" means an individual or an entity, excluding a state or local governmental entity.

(d) "Platform contract holder" means a platform user who is the beneficiary or holder of a rental home marketplace guarantee.

(e) "Provider" means:

(1) a rental home marketplace; or

(2) a rental home marketplace affiliate or representative who issues or offers as well as administers, either directly or through a third party, a rental home marketplace guarantee.

(f) "Reimbursement insurance policy" means an insurance policy issued to a provider, pursuant to which the insurer agrees, for the benefit of a platform contract holder, to discharge the provider's obligations and liabilities under the terms of the rental home marketplace guarantee in the event of the provider's default or nonperformance under the rental home marketplace guarantee.

(g) "Rental home marketplace" means a person that:

(1) provides an online application, software, website, system, or other medium that:

(i) is used to advertise or offer available property to the public; and

(ii) connects and enables platform users' property;

(2) provides, directly or indirectly, or maintains an online platform by:

(i) transmitting or otherwise communicating the offer or acceptance of a transaction between two platform users; or

(ii) owning or operating the electronic infrastructure or technology that connects two or more platform users; and

(3) if the person offers rental home marketplace guarantees, offers rental home marketplace guarantees only in a manner that is ancillary to the conduct of the person's primary legitimate business or activity.

(h) "Rental home marketplace guarantee" means a contract or agreement issued in connection with a rental home marketplace, whether or not the contract or agreement includes a separate consideration, to reimburse a user sharing property for damages the renter is responsible for under the rental home marketplace's terms of service, with or without additional provision for incidental payment of indemnity.

Sec. 28. **[59E.03] REQUIREMENTS FOR DOING BUSINESS.**

(a) A provider is prohibited from issuing or offering a rental home marketplace guarantee unless the provider has made the rental home marketplace guarantee terms available on the provider's website and complied with this chapter.

(b) A provider that offers rental home marketplace guarantees must file a registration with the commissioner on a form prescribed by the commissioner.

(c) To ensure the faithful performance of a provider's obligations to the provider's platform contract holders, each provider who is obligated to a platform contract holder must insure all rental home marketplace guarantees under a reimbursement insurance policy issued (1) by an insurer authorized to transact insurance in Minnesota, or (2) pursuant to sections 60A.195 to 60A.2095.

(d) A person handling rental home marketplace guarantee losses on behalf of a provider must be trained in property damage and loss assessment and interpretation of the rental home marketplace guarantee terms before handling losses. The training must be adequate for a person handling rental home marketplace guarantee losses to provide knowledgeable, fair, and objective service. A provider must maintain records demonstrating completion of the training by a person handling rental home marketplace guarantee losses.

Sec. 29. **[59E.04] RENTAL HOME MARKETPLACE GUARANTEES ARE NOT INSURANCE.**

A rental home marketplace guarantee does not constitute insurance and is not required to comply with other Minnesota insurance laws if the provider complies with this chapter.

Sec. 30. **[59E.05] REIMBURSEMENT INSURANCE POLICY.**

(a) A reimbursement insurance policy insuring rental home marketplace guarantees must clearly state that upon the provider's default or nonperformance under the rental home marketplace guarantee, the insurer that issued the policy must pay on behalf of the provider any amount the provider is obligated to pay according to the rental home marketplace guarantee.

(b) A reimbursement insurance policy is subject to the laws and regulations governing termination and nonrenewal of insurance policies in Minnesota. The termination of a reimbursement insurance policy does not reduce the issuer's responsibility for rental home marketplace guarantees issued by providers before the termination's effective date.

(c) A provider is the agent of the insurer that issued the reimbursement insurance policy. The insurer retains the right to seek indemnification or subrogation from the provider if the insurer pays or is obligated to pay the platform contract holder the amount the provider was obligated to pay under the rental home marketplace guarantee. This chapter does not prevent or limit the insurer's right in this regard.

Sec. 31. **[59E.06] CONSUMER PROTECTION AND DISCLOSURES.**

(a) A rental home marketplace guarantee must include a statement in substantially the following form: "This rental home marketplace guarantee is not an insurance contract."

(b) A rental home marketplace guarantee must contain a statement in substantially the following form: "The provider's obligations are backed by a reimbursement insurance policy. If the provider is unable or fails to perform on the provider's contractual obligation under a rental home marketplace guarantee within 90 days after the date proof of loss is filed, a platform user is entitled to make a claim directly against the insurance company subject to the terms of the policy."

(c) A rental home marketplace guarantee must be written in clear, understandable language and must specify the terms, limitations, exceptions, conditions, or exclusions, including conditions governing transferability or termination.

(d) A provider is prohibited from making, permitting, or causing to be made a false or misleading statement, or deliberately omitting a material statement whose omission is considered misleading, in connection with offering or advertising a rental home marketplace guarantee.

Sec. 32. **[59E.07] ENFORCEMENT.**

The commissioner may enforce this chapter using the enforcement authority under chapters 46 and 60A.

Sec. 33. Minnesota Statutes 2024, section 60A.085, is amended to read:

60A.085 CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO COVERED PERSONS.

(a) No cancellation of any group life, group accidental death and dismemberment, group disability income, or group medical expense policy, plan, or contract regulated under chapter 62A or 62C is effective unless the insurer has made a good faith effort to notify all covered persons of the cancellation at least 30 days before the effective cancellation date. For purposes of this section, an insurer has made a good faith effort to notify all covered persons if the insurer has notified all the persons included on the list required by paragraph (b) at the home address given and only if the list has been updated within the last 12 months.

(b) At the time of the application for coverage subject to paragraph (a), the insurer shall obtain an accurate list of the names and home addresses of all persons to be covered.

(c) Paragraph (a) does not apply if the group policy, plan, or contract is replaced, or if the insurer has reasonable evidence to indicate that it will be replaced, by a substantially similar policy, plan, or contract.

(d) In no event shall this section extend coverage under a group policy, plan, or contract more than 120 days beyond the date coverage would otherwise cancel based on the terms of the group policy, plan, or contract.

(e) If coverage under the group policy, plan, or contract is extended by this section, then the time period during which affected members may exercise any conversion privilege provided for in the group policy, plan, or contract is extended for the same length of time, plus 30 days.

(f) In the case of a group life, group accidental death and dismemberment, or group disability income policy, the insurer and group policyholder may agree that the group policyholder assumes responsibility for notifying all covered persons if a cancellation under paragraphs (a) and (c) occurs. As part of the agreement, the group policyholder must certify to the insurer that the notification required under this section has taken place. If the employer assumes responsibility for the notification, paragraphs (b), (d), and (e) do not apply.

Sec. 34. Minnesota Statutes 2024, section 60K.383, is amended to read:

60K.383 TRAVEL INSURANCE.

Subdivision 1. **Definitions.** (a) As used in this section, the terms in paragraphs (b) to ~~(d)~~ (e) have the meanings given.

(b) "Limited lines travel insurance producer" means a licensed managing general agent or third-party administrator; licensed insurance producer, including a limited lines producer; or travel administrator, as defined in section 65C.02, subdivision 13.

(c) "Offer and disseminate" means providing general information, including a description of coverage and price, as well as processing an application and collecting premiums.

~~(b)~~ (d) "Travel insurance" means insurance coverage for personal risks incident to planned travel, including~~,~~ but not limited to:

(1) interruption or cancellation of trip or event;

(2) loss of baggage or personal effects;

(3) damages to accommodations or rental vehicles; ~~or~~

(4) sickness, accident, disability, or death occurring during travel~~.~~;

(5) emergency evacuation;

(6) repatriation of remains; or

(7) a contractual obligation to indemnify or pay a specified amount of money to the traveler upon determinable contingencies related to travel, as approved by the commissioner.

Travel insurance does not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting six months or longer, including those working overseas as an expatriate or military personnel being deployed, or a product that requires a specific insurance producer license.

~~(c) "Travel insurance producer" means an insurer designee, such as a managing general underwriter, managing general agent, or licensed limited lines producer of travel insurance.~~

~~(d)~~ (e) "Travel retailer" means a business entity that ~~offers and disseminates~~:

(1) makes, arranges, or offers planned travel; and

(2) may offer and disseminate travel insurance as a service to the travel retailer's customers on behalf of and under the direction of a limited lines travel insurance producer.

Subd. 2. ~~**Travel retailer license**~~ **Licensing and registration.** (a) The commissioner may issue a limited lines travel insurance producer license to an individual or business entity that has filed with the commissioner a limited lines travel insurance producer license application in a form and manner prescribed by the commissioner. A limited lines travel insurance producer must be licensed to sell, solicit, or negotiate travel insurance through a licensed insurer. A person is prohibited from acting as a limited lines travel insurance producer or travel insurance retailer unless the person is licensed or registered.

(b) A travel retailer may offer and disseminate travel insurance on behalf of and under a limited lines travel insurance producer business entity license only if ~~the travel insurance producer holds a business entity license, and~~:

~~(1) the licensed business entity is clearly identified as the licensed producer on marketing materials and fulfillment packages distributed by travel retailers to customers; identification shall include the entity's name and contact information;~~

(1) the limited lines travel insurance producer or travel retailer provides to travel insurance purchasers:

(i) a description of the material terms or the actual material terms of the insurance coverage;

(ii) a description of the process to file a claim;

(iii) a description of the process to review or cancel the travel insurance policy; and

(iv) the identity and contact information of the insurer and limited lines travel insurance producer;

(2) the ~~licensed business entity~~ limited lines travel insurance producer keeps a register, on a form prescribed by the commissioner, of each travel retailer that offers travel insurance on the licensed business entity's behalf. The register must be maintained and updated by the limited lines travel insurance producer and must include (i) the

name, address, and contact information of the travel retailer and an officer or person who directs or controls the travel retailer's operations, and (ii) the travel retailer's federal ~~Employer~~ tax identification number. The ~~licensed business entity shall~~ limited lines travel insurance producer must also certify that the travel retailer registered complies with United States Code, title 18, section 1033. The ~~licensed business entity shall~~ limited lines travel insurance producer must submit the register within 30 days upon request by the commissioner. Section 60K.43, subdivisions 1, 3, and 4, apply to limited lines travel insurance producers and travel retailers;

(3) the ~~licensed business entity~~ limited lines travel insurance producer has designated one of its employees ~~as~~ who is a licensed individual producer~~,~~ as a "designated responsible producer" or "DRP~~,~~ " responsible for the business entity's compliance with Minnesota insurance laws and rules;

(4) the DRP, president, secretary, treasurer, and any other officer or person who directs or controls the ~~licensed business entity's~~ limited lines travel insurance producer's insurance operations ~~comply~~ complies with the fingerprinting requirements applicable to insurance producers in the resident state of the ~~business entity~~ limited lines travel insurance producer;

(5) the ~~licensed business entity~~ limited lines travel insurance producer has paid all applicable insurance producer licensing fees ~~as~~ set forth in Minnesota ~~state~~ law; and

(6) the ~~licensed business entity~~ limited lines travel insurance producer requires each employee and authorized representative of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training, which may be subject to review by the commissioner. The training materials must, at a minimum, contain adequate instruction regarding the types of insurance offered, ethical sales practices, and required disclosures provided to prospective customers.

(c) A travel retailer offering or disseminating travel insurance must make available to prospective purchasers a brochure or other written materials that have been approved by the travel insurer. The materials must include information that, at a minimum:

(1) provides the identity and contact information of the insurer and the limited lines travel insurance producer;

(2) explains that a person is not required to purchase travel insurance in order to purchase any other product or service from the travel retailer; and

(3) explains that an unlicensed travel retailer is permitted to provide only general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to (i) answer technical questions about the terms and conditions of the insurance offered by the travel retailer, or (ii) evaluate the adequacy of the customer's existing insurance coverage.

(d) A travel retailer employee or authorized representative who is not licensed as an insurance producer is prohibited from:

(1) evaluating or interpreting the technical terms, benefits, and conditions contained in the offered travel insurance coverage;

(2) evaluating or providing advice concerning a prospective purchaser's existing insurance coverage; or

(3) representing that the travel retailer employee or authorized representative is a licensed insurer, licensed producer, or insurance expert.

Subd. 3. **Offer and dissemination of travel insurance; compensation.** Notwithstanding any other law, a travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and disseminating travel insurance on behalf of and under the direction of a ~~licensed business entity~~ limited lines travel insurance producer meeting the conditions stated in this section~~,~~ is authorized to do so and receive related compensation~~,~~ upon registration by the ~~licensed business entity. For purposes of this section, "offering and disseminating" means providing general information, including a description of the coverage and price, as well as processing the application, collecting premiums, and performing other nonlicensable activities permitted by the state~~ limited lines travel insurance producer as provided under subdivision 2, paragraph (b), clause (2).

Subd. 4. **Insurer designee.** As the ~~insurer~~ insurer's designee, the limited lines travel insurance producer is responsible for the acts of the travel retailer and must use reasonable means to ensure compliance by the travel retailer with this section and chapter 65C.

Subd. 5. **Producers of major lines of insurance.** A person licensed in a major line of authority as an insurance producer is authorized to sell, solicit, and negotiate travel insurance. A property and casualty insurance producer is not required to be appointed by an insurer in order to sell, solicit, or negotiate travel insurance.

EFFECTIVE DATE. This section is effective 90 days following the date of final enactment.

Sec. 35. Minnesota Statutes 2024, section 62A.135, subdivision 1, is amended to read:

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

~~(a)~~ (1) "fixed indemnity policy" is a policy form, other than an accidental death and dismemberment policy, a disability income policy, or a long-term care policy as defined in section 62A.46, subdivision 2, that pays a predetermined, specified, fixed benefit for services provided. Fixed indemnity policy includes short-term home health and nursing care insurance under section 62A.70. Claim costs under these forms are generally not subject to inflation, although they may be subject to changes in the utilization of health care services. For policy forms providing both expense-incurred and fixed benefits, the policy form is a fixed indemnity policy if 50 percent or more of the total claims are for predetermined, specified, fixed benefits;

~~(b)~~ (2) "guaranteed renewable" means that, during the renewal period (to a specified age) renewal cannot be declined nor coverage changed by the insurer for any reason other than nonpayment of premiums, fraud, or misrepresentation, but the insurer can revise rates on a class basis upon approval by the commissioner;

~~(c)~~ (3) "noncancelable" means that, during the renewal period (to a specified age) renewal cannot be declined nor coverage changed by the insurer for any reason other than nonpayment of premiums, fraud, or misrepresentation and that rates cannot be revised by the insurer. This includes policies that are guaranteed renewable to a specified age, such as 60 or 65, at guaranteed rates; and

~~(d)~~ (4) "average annualized premium" means the average of the estimated annualized premium per covered person based on the anticipated distribution of business using all significant criteria having a price difference, such as age, sex, amount, dependent status, mode of payment, and rider frequency. For filing of rate revisions, the amount is the anticipated average assuming the revised rates have fully taken effect.

Sec. 36. Minnesota Statutes 2024, section 62A.46, subdivision 2, is amended to read:

Subd. 2. **Long-term care policy.** (a) "Long-term care policy" means an individual or group policy, certificate, subscriber contract, or other evidence of coverage that provides benefits for prescribed long-term care, including nursing facility services or home care services, or both nursing facility services and home care services, pursuant to the requirements of sections 62A.46 to 62A.56. Long-term care policy does not include short-term home health and nursing care insurance under section 62A.70.

(b) Sections 62A.46, 62A.48, and 62A.52 to 62A.56 do not apply to a long-term care policy issued to ~~(a)~~ (1) an employer or employers or to the trustee of a fund established by an employer where only employees or retirees, and dependents of employees or retirees, are eligible for coverage or ~~(b)~~ (2) to a labor union or similar employee organization. ~~The associations exempted from the requirements of sections 62A.3099 to 62A.44 under 62A.31, subdivision 1, clause (c) shall not be subject to the provisions of sections 62A.46 to 62A.56 until July 1, 1988.~~

Sec. 37. **[62A.70] SHORT-TERM HOME HEALTH AND NURSING CARE INSURANCE.**

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

(b) "Activities of daily living" has the meaning given in section 62S.01, subdivision 2.

(c) "Cognitive impairment" has the meaning given in section 62S.01, subdivision 9.

(d) "Free-look period" means a period with a duration of at least 30 days, beginning the date the policy, certificate, contract, or other evidence of coverage is issued and delivered to the insured, during which an insured may cancel the policy, certificate, contract, or other evidence of coverage and receive a full refund of all paid insurance premiums.

(e) "Home health agency" has the meaning given in section 62A.46, subdivision 10.

(f) "Insured" means a person covered under a short-term home health and nursing care insurance policy.

(g) "Nursing facility" has the meaning given in section 62A.46, subdivision 3.

(h) "Plan of care" has the meaning given in section 62A.46, subdivision 8.

(i) "Qualified insurer" means an entity licensed under chapter 62A or 62C.

(j) "Short-term home health and nursing care insurance" means an individual or group policy, certificate, subscriber contract, or other evidence of coverage that provides benefits for short-term home health services or short-term nursing care services. Short-term home health and nursing care insurance does not include:

(1) a long-term care policy, as defined in section 62A.46, subdivision 2;

(2) long-term care insurance, as defined in section 62S.01, subdivision 18;

(3) Medicare supplement policies, as defined in section 62A.3099, subdivision 18; or

(4) major medical, disability income, or hospital confinement indemnity policies.

(k) "Short-term home health services" means one or more of the following services to care for and treat an insured that are provided by a home health agency in a noninstitutional setting pursuant to a written diagnosis or assessment and plan of care:

(1) nursing and related personal care services under the direction of a registered nurse, including the services of a home health aide;

(2) physical therapy;

(3) speech therapy;

(4) respiratory therapy;

(5) occupational therapy;

(6) nutritional services provided by a licensed dietitian;

(7) homemaker services, meal preparation, and similar nonmedical services;

(8) medical social services; and

(9) other similar medical services and health-related support services.

(l) "Short-term nursing care services" means services to care for and treat an insured that are provided by a nursing facility pursuant to a written diagnosis or assessment and plan of care.

(m) "Waiting period" means a specified time period that an insured must wait before some or all of the insured's coverage becomes effective.

Subd. 2. **Short-term home health and nursing care insurance approval.** (a) A qualified insurer may offer, issue, deliver, and renew short-term home health and nursing care insurance if the insurance meets the requirements of this section.

(b) Short-term home health and nursing care insurance may be offered, issued, delivered, or renewed only by a qualified insurer.

(c) Short-term home health and nursing care insurance must not be offered, issued, delivered, or renewed until the short-term home health and nursing care insurance is approved by the commissioner as necessary under sections 62A.02 and 62A.135.

Subd. 3. **Policy requirements.** (a) Short-term home health and nursing care insurance must provide benefits upon:

(1) cognitive impairment; or

(2) the insured's inability to perform at least two activities of daily living without substantial assistance.

(b) Short-term home health and nursing care insurance must not provide coverage for a period exceeding 360 days.

(c) Short-term home health and nursing care insurance must provide a free-look period.

(d) Short-term home health and nursing care insurance must not be canceled due to an insured's deterioration in health status or use of benefits.

(e) An insurer may deny the renewal of a policy, certificate, contract, or other evidence of coverage of short-term home health and nursing care insurance only for:

(1) nonpayment of a premium by the insured;

(2) fraud or misrepresentation by the insured;

(3) termination of the insurer's authority to transact business in the state; or

(4) the insured's exhaustion of the maximum benefit period.

(f) Upon the conversion or replacement by an insurer of a policy, certificate, contract, or other evidence of coverage containing a waiting period, the insurer is prohibited from establishing a waiting period that differs from the original waiting period.

Subd. 4. **Required disclosures.** Short-term home health and nursing care insurance must not be offered or issued without providing the following written disclosures:

(1) a statement, in bold text, that the policy, certificate, contract, or other evidence of coverage is supplemental health insurance; is not long-term care insurance; and is not a policy under the Minnesota partnership for long-term care program;

(2) a clear and understandable explanation of the free-look period; and

(3) a clear and understandable explanation of all renewability and continuity provisions.

Sec. 38. **[65C.01] SCOPE AND PURPOSES.**

Subdivision 1. **Purpose.** The purpose of this chapter is to promote the public welfare by creating a comprehensive legal framework within which travel insurance may be sold in Minnesota.

Subd. 2. **Application.** (a) This chapter applies to:

(1) travel insurance that covers any Minnesota resident and is sold, solicited, negotiated, or offered in Minnesota; and

(2) policies and certificates that are delivered or issued for delivery in Minnesota.

(b) This chapter does not apply to cancellation fee waivers or travel assistance services, except as expressly provided in this chapter.

Subd. 3. **Applicability of other law.** All other applicable provisions of Minnesota insurance law apply to travel insurance, except that this chapter supersedes any general provisions of law that would otherwise apply to travel insurance.

EFFECTIVE DATE. This section is effective 90 days following the date of final enactment.

Sec. 39. **[65C.02] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Aggregator site.** "Aggregator site" means a website that provides access to information, including product and insurer information, regarding insurance products from more than one insurer for use in comparison shopping.

Subd. 3. **Blanket travel insurance.** "Blanket travel insurance" means a travel insurance policy issued to an eligible group providing coverage for specific classes of persons defined in the policy, with coverage provided to all members of the eligible group without a separate charge to individual members of the eligible group.

Subd. 4. **Cancellation fee waiver.** "Cancellation fee waiver" means a contractual agreement between a travel services supplier and the travel services supplier's customer to waive some or all of the nonrefundable cancellation fee provisions contained in the supplier's underlying travel contract, with or without regard to the reason for the cancellation or form of reimbursement. A cancellation fee waiver is not insurance.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 6. **Eligible group.** "Eligible group" means two or more persons who are engaged in a common enterprise or have an economic, educational, or social affinity or relationship, including but not limited to:

(1) an entity engaged in the business of providing travel or travel services, including but not limited to:

(i) a tour operator, lodging provider, vacation property owner, hotel, resort, travel club, travel agency, property manager, cultural exchange program, and common carrier; or

(ii) the operator, owner, or lessor of a means of transporting passengers, including but not limited to an airline, cruise line, railroad, steamship company, and public bus carrier, if all group members or customers have a common exposure to the risk attendant to the particular type of travel;

(2) a college, school, or other institution of learning covering students, teachers, employees, or volunteers;

(3) an employer covering a group of employees, volunteers, contractors, board of directors, dependents, or guests;

(4) a sports team, camp, or sports team or camp sponsor covering participants, members, campers, employees, officials, supervisors, or volunteers;

(5) a religious, charitable, recreational, educational, or civic organization, or branch of a religious, charitable, recreational, educational, or civic organization, covering any group of members, participants, or volunteers;

(6) a financial institution, financial institution vendor, parent holding company, trustee, or agent or designee of one or more financial institutions or financial institution vendors, including account holders, credit card holders, debtors, guarantors, or purchasers;

(7) an incorporated or unincorporated association, including a labor union, that (i) has a common interest, constitution, and bylaws, and (ii) is organized and maintained in good faith for purposes other than obtaining insurance for members or participants of the association covering the association's members;

(8) a trust or the trustees of a fund established, created, or maintained for the benefit of and to cover members, employees, or customers, subject to the commissioner authorizing the use of a trust by one or more associations meeting the requirements under clause (7);

(9) an entertainment production company covering a group of participants, volunteers, audience members, contestants, or workers;

(10) a volunteer fire department, ambulance, rescue, police, court, first aid, civil defense, or other volunteer group;

(11) a preschool, day care institution for children or adults, or senior citizen club;

(12) an automobile or truck rental or leasing company covering a group of individuals who may become renters, lessees, or passengers as defined by the group of individuals' travel status on the rented or leased vehicles. The common carrier, operator, owner or lessor of a means of transportation, or automobile or truck rental or leasing company is the policyholder under a policy governed by this section; or

(13) any other group the commissioner determines (i) is engaged in a common enterprise or has an economic, educational, or social affinity or relationship, and (ii) for which policy issuance is not contrary to the public interest.

Subd. 7. **Fulfillment materials.** "Fulfillment materials" means documentation sent to a person who purchases a travel protection plan that confirms the purchase and provides the travel protection plan's coverage and assistance details.

Subd. 8. **Group travel insurance.** "Group travel insurance" means travel insurance issued to an eligible group.

Subd. 9. **Limited lines travel insurance producer.** "Limited lines travel insurance producer" has the meaning given in section 60K.383, subdivision 1, paragraph (b).

Subd. 10. **Offer and disseminate.** "Offer and disseminate" has the meaning given in section 60K.383, subdivision 1, paragraph (c).

Subd. 11. **Primary certificate holder.** "Primary certificate holder" means an individual who elects and purchases travel insurance under a group policy.

Subd. 12. **Primary policyholder**"Primary policyholder" means an individual who elects and purchases individual travel insurance.

Subd. 13. **Travel administrator.** "Travel administrator" means a person who directly or indirectly underwrites; collects charges, collateral, or premiums from; or adjusts or settles claims on residents of Minnesota in connection with travel insurance. A person is not a travel administrator if the person's only actions that otherwise indicate the person is a travel administrator are:

(1) the person works for a travel administrator, to the extent that the person's activities are subject to the travel administrator's supervision and control;

(2) the insurance producer sells insurance or engages in administrative and claims-related activities within the scope of the producer's license;

(3) the travel retailer (i) offers and disseminates travel insurance, and (ii) is registered under the license of a limited lines travel insurance producer under this chapter;

(4) the individual (i) adjusts or settles claims in the normal course of the individual's practice or employment as an attorney, and (ii) does not collect charges or premiums in connection with insurance coverage; or

(5) the business entity is affiliated with a licensed insurer while acting as a travel administrator for the direct and assumed insurance business of an affiliated insurer.

Subd. 14. **Travel assistance services.** "Travel assistance services" means noninsurance services (1) for which the consumer is not indemnified based on a fortuitous event, and (2) where providing the service does not result in transfer or shifting of risk that would constitute the business of insurance. Travel assistance services include but are not limited to: security advisories; destination information; vaccination and immunization information services; travel reservation services; entertainment; activity and event planning; translation assistance; emergency messaging; international legal and medical referrals; medical case monitoring; coordination of transportation arrangements; emergency cash transfer assistance; medical prescription replacement assistance; passport and travel document replacement assistance; lost luggage assistance; concierge services; and any other service that is furnished in connection with planned travel. Travel assistance services are not insurance and are not related to insurance.

Subd. 15. **Travel insurance.** "Travel insurance" has the meaning given in section 60K.383, subdivision 1, paragraph (d).

Subd. 16. **Travel protection plan.** "Travel protection plan" means a plan that provides one or more of the following:

(1) travel insurance;

(2) travel assistance services; or

(3) cancellation fee waivers.

Subd. 17. **Travel retailer.** "Travel retailer" has the meaning given in section 60K.383, subdivision 1, paragraph (e).

EFFECTIVE DATE. This section is effective 90 days following the date of final enactment.

Sec. 40. **[65C.04] TRAVEL PROTECTION PLANS.**

A travel protection plan may be offered at one price for the combined features that the travel protection plan offers in Minnesota if:

(1) the travel protection plan:

(i) clearly discloses to the consumer, at or before the time the travel protection plan is purchased, that the travel protection plan includes travel insurance, travel assistance services, and cancellation fee waivers, as applicable; and

(ii) provides information and an opportunity, at or prior to the time the travel protection plan is purchased, for the consumer to obtain additional information regarding the features and pricing of the travel insurance, travel assistance services, and cancellation fee waivers; and

(2) the fulfillment materials:

(i) describe and delineate the travel insurance, travel assistance services, and cancellation fee waivers in the travel protection plan; and

(ii) include the travel insurance disclosures and the contact information for the persons providing travel assistance services and cancellation fee waivers, as applicable.

EFFECTIVE DATE. This section is effective 90 days following the date of final enactment.

Sec. 41. **[65C.05] SALES PRACTICES.**

Subdivision 1. **Other applicable law.** Except as otherwise provided in this section, a person offering travel insurance to residents of Minnesota is subject to sections 72A.17 to 72A.32. If this chapter conflicts with chapters 59A to 79A regarding the sale and marketing of travel insurance and travel protection plans, this chapter prevails.

Subd. 2. **Illusory travel insurance.** A person that offers or sells a travel insurance policy that could never result in payment of claims for an insured individual under the policy is engaging in an unfair trade practice under sections 72A.17 to 72A.32.

Subd. 3. **Marketing.** (a) All documents provided to consumers before purchasing travel insurance, including but not limited to sales materials, advertising materials, and marketing materials, must be consistent with the travel insurance policy, including but not limited to forms, endorsements, policies, rate filings, and certificates of insurance.

(b) A person that offers travel insurance policies or certificates that contain preexisting condition exclusions must, before the insurance is purchased, provide a consumer with information and an opportunity to learn more about the preexisting condition exclusions. The information about preexisting condition exclusions must be included in the insurance policy's coverage fulfillment materials.

(c) The fulfillment materials and the information described in section 60K.383, subdivision 2, paragraph (b), clause (1), must be provided to a policyholder or certificate holder as soon as practicable after a travel protection plan is purchased. Unless the insured individual has started a covered trip or filed a claim under the travel insurance coverage, a policyholder or certificate holder may cancel a policy or certificate for a full refund of the travel protection plan price from the date a travel protection plan is purchased until at least:

(1) 15 days after the date the travel protection plan's fulfillment materials are delivered by mail; or

(2) ten days after the date the travel protection plan's fulfillment materials are delivered by means other than mail.

(d) For purposes of this section, "delivery" means (1) handing fulfillment materials to the policyholder or certificate holder, or (2) sending fulfillment materials by mail or electronic means to the policyholder or certificate holder.

(e) The company must disclose in the policy documentation and fulfillment materials whether the travel insurance is primary or secondary to other applicable coverage.

(f) Travel insurance that is marketed directly to a consumer through an insurer's website or by others through an aggregator site is not an unfair trade practice or other violation of law if an accurate summary or short description of coverage is provided on the web page, provided the consumer has access to the policy's full provisions by electronic means.

Subd. 4. **Opt out.** A person that offers, solicits, or negotiates travel insurance or travel protection plans on an individual or group basis is prohibited from offering, soliciting, or negotiating travel insurance or travel protection plans by using negative option or opting out that requires a consumer to take an affirmative action to deselect coverage, including by unchecking a box on an electronic form, when the consumer purchases a trip.

Subd. 5. **Other prohibitions.** A person that markets blanket travel insurance coverage as free of cost is engaging in an unfair trade practice.

Subd. 6. **Coverage required by other jurisdictions.** If a consumer's destination jurisdiction requires insurance coverage, a person does not engage in an unfair trade practice if the person requires a consumer to choose between the following options as a condition of purchasing a trip or travel package:

(1) purchasing the coverage required by the destination jurisdiction through the travel retailer or limited lines travel insurance producer supplying the trip or travel package; or

(2) agreeing to obtain and provide proof of coverage that meets the destination jurisdiction's requirements prior to departure.

EFFECTIVE DATE. This section is effective 90 days following the date of final enactment.

Sec. 42. **[65C.06] TRAVEL ADMINISTRATORS.**

(a) Notwithstanding chapters 59A to 79A, a person is prohibited from acting as or representing that the person is a travel administrator for travel insurance in Minnesota unless the person:

(1) is a licensed property and casualty insurance producer in Minnesota for activities permitted under the property and casualty insurance producer license;

(2) holds a valid managing general agent license in Minnesota; or

(3) holds a valid third-party administrator license in Minnesota.

(b) A travel administrator and the travel administrator's employees are exempt from the licensing requirements of chapter 72B for travel insurance the travel administrator administers.

(c) An insurer is responsible for:

(1) the acts of a travel administrator administering travel insurance underwritten by the insurer; and

(2) ensuring the travel administrator maintains all books and records relevant to the insurer that the travel administrator must make available to the commissioner upon request.

EFFECTIVE DATE. This section is effective 90 days following the date of final enactment.

Sec. 43. **[65C.07] POLICY.**

(a) Notwithstanding chapters 59A to 79A, travel insurance is classified and filed for purposes of rates and forms under an inland marine line of insurance. Notwithstanding this paragraph, travel insurance that provides coverage for illness, accident, disability, or death occurring during travel, either exclusively or in conjunction with related emergency evacuation or repatriation of remains coverage, or incidental limited property and casualty benefits, including baggage or trip cancellation, may be filed under either an accident and health line of insurance or an inland marine line of insurance.

(b) Travel insurance may be offered and issued in the form of an individual, group, or blanket policy.

(c) Eligibility and underwriting standards for travel insurance may be developed and provided based on travel protection plans designed for individual or identified marketing or distribution channels, provided the standards also meet the underwriting standards for an inland marine line of insurance under Minnesota law.

EFFECTIVE DATE. This section is effective 90 days following the date of final enactment.

Sec. 44. Minnesota Statutes 2024, section 72A.13, subdivision 1, is amended to read:

Subdivision 1. **Penalties.** Any company, corporation, association, society, or other insurer, or any officer or agent thereof, which or who solicits, issues or delivers to any person in this state any policy in violation of the provisions of sections 60A.06, subdivision 3 ~~or,~~ 62A.01 to 62A.10, or 62A.70 may be punished by a fine of not more than $200 for each offense, and the commissioner may revoke the license of any company, corporation, association, society, or other insurer of another state or country, or of the agent thereof, which or who willfully violates any provision of sections 60A.06, subdivision 3 ~~or,~~ 62A.01 to 62A.10, or 62A.70.

Sec. 45. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership, reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster ~~and~~, or an insurance lead generator. For the purposes of sections 72A.31 and 72A.32 "person" shall in addition mean any person, firm or corporation even though not engaged in the business of insurance.

Sec. 46. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to read:

Subd. 3. **Insurance lead generator.** (a) "Insurance lead generator" means a person who uses a lead-generating device to:

(1) publicize the availability of what is or what purports to be an insurance product or service that the person is not licensed to sell directly to a customer;

(2) identify a customer who may be interested in learning more about an insurance product; or

(3) sell or transmit customer information to an insurer or producer for the purposes of subsequent contact or sales activity.

(b) For purposes of sections 72A.17 to 72A.32, insurance lead generator does not include an insurer, as defined under section 72A.201, subdivision 3, clause (9), or an insurance producer, as defined under section 60K.31, subdivision 6.

Sec. 47. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to read:

Subd. 4. **Lead-generating device.** "Lead-generating device" means communication directed to the public that, regardless of the communication's form, content, or stated purpose, is intended to result in compiling or qualifying a list containing names and other personal information to solicit Minnesota residents to purchase what is or what purports to be an insurance product or service.

Sec. 48. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to read:

Subd. 5. **Recording.** "Recording" means documenting a sale or verifying a call, including a virtual technology call, to market an insurance product or service.

Sec. 49. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

Subd. 2. **False information and advertising generally.** Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, email, Internet advertisement or posting, or other publication, or in the form of a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any radio station, or using the Internet or other electronic means, or in any other way, an advertisement, announcement, or statement, containing any assertion, representation, or statement with respect to the business of insurance, or with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall constitute an unfair method of competition and an unfair and deceptive act or practice.

Sec. 50. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

Subd. 2a. **Failure to maintain certain records.** An insurance lead generator must maintain books, records, documents, and other business records in a manner that ensures data regarding complaints and marketing are accessible and retrievable for examination by the insurance commissioner. An insurance lead generator must maintain data under this subdivision for at least the current calendar year and the two preceding years.

Sec. 51. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product transaction conducted:

(1) by a dealer ~~that is incorporated, registered, domiciled, or otherwise~~ located in Minnesota;

(2) by a dealer representative at a location in Minnesota;

(3) between a dealer and a consumer ~~who lives~~ in Minnesota; or

(4) between a dealer and a Minnesota consumer when the transaction involves:

(i) delivering or shipping a bullion product to an address in Minnesota; or

~~(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota resident; or~~

~~(iii)~~ (ii) making payment to a consumer or receiving a payment from a consumer at an address in Minnesota, unless the transaction occurs when the consumer is ~~at a business location~~ outside of Minnesota.

Sec. 52. **[82B.081] NOTICE TO COMMISSIONER.**

Subdivision 1. **Change of application information.** A licensee must provide notice to the commissioner if the information in the license application filed with the commissioner changes. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the change occurs. For purposes of this subdivision, an information change requiring notice includes but is not limited to a change with respect to the licensee's personal name, trade name, address, or business location.

Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse decision or court order, whether or not the decision or order is appealed, resulting from a proceeding in which the licensee was named as a defendant and the final adverse decision relates to fraud or misrepresentation. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the final adverse decision or court order is issued.

Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary action involving the licensee, including but not limited to a suspension or revocation of the licensee's real property appraiser license or another occupational license issued by Minnesota or another jurisdiction. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the disciplinary action occurs.

Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a similar violation of a real property appraiser licensing law. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the charge, judgment, or plea occurs.

Sec. 53. **[82C.031] NOTICE TO COMMISSIONER.**

Subdivision 1. **Change of application information.** A licensee must provide notice to the commissioner if the information in the license application filed with the commissioner changes. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the change occurs. For purposes of this subdivision, an information change requiring notice includes but is not limited to a change with respect to the licensee's personal name, trade name, address, or business location.

Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse decision or court order, whether or not the decision or order is appealed, resulting from a proceeding in which the licensee was named as a defendant and the final adverse decision relates to fraud or misrepresentation. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the final adverse decision or court order is issued.

Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary action involving the licensee, including but not limited to a suspension or revocation of the licensee's real property appraisal management company license issued by another jurisdiction. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the disciplinary action occurs.

Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a similar violation of a real property appraisal management company licensing law. The notice must be provided in writing or another format prescribed by the commissioner within ten days of the date the charge, judgment, or plea occurs.

Sec. 54. Minnesota Statutes 2024, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.** (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person is a citizen of the United States or a United States national;

(2) the person has been determined by a community assessment under section 256B.0911 to be a person who would require the level of care provided in a nursing facility, as determined under section 256B.0911, subdivision 26, but for the provision of services under the alternative care program;

(3) the person is age 65 or older;

(4) the person would be eligible for medical assistance within 135 days of admission to a nursing facility;

(5) the person is not ineligible for the payment of long-term care services by the medical assistance program due to an asset transfer penalty under section 256B.0595 or equity interest in the home exceeding $500,000 as stated in section 256B.056;

(6) the person needs long-term care services that are not funded through other state or federal funding, or other health insurance or other third-party insurance such as long-term care insurance. For purposes of this clause, short-term home health and nursing care insurance under section 62A.70 does not constitute health or other third-party insurance;

(7) except for individuals described in clause (8), the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the monthly limit described under section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased under this section exceed the difference between the client's monthly service limit defined under section 256S.04, and the alternative care program monthly service limit defined in this paragraph. If care-related supplies and equipment or environmental modifications and adaptations are or will be purchased for an alternative care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's other alternative care services exceeds the monthly limit established in this paragraph, the annual cost of the alternative care services shall be determined. In this event, the annual cost of alternative care services shall not exceed 12 times the monthly limit described in this paragraph;

(8) for individuals assigned a case mix classification A as described under section 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies in bathing, dressing, grooming, walking, and eating when the dependency score in eating is three or greater as determined by an assessment performed under section 256B.0911, the monthly cost of alternative care services funded by the program cannot exceed $593 per month for all new participants enrolled in the program on or after July 1, 2011. This monthly limit shall be applied to all other participants who meet this criteria at reassessment. This monthly limit shall be increased annually as described in section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased exceed the difference between the client's monthly service limit defined in this clause and the limit described in clause (7) for case mix classification A;

(9) the person is making timely payments of the assessed monthly fee. A person is ineligible if payment of the fee is over 60 days past due, unless the person agrees to:

(i) the appointment of a representative payee;

(ii) automatic payment from a financial account;

(iii) the establishment of greater family involvement in the financial management of payments; or

(iv) another method acceptable to the lead agency to ensure prompt fee payments; and

(10) for a person participating in consumer-directed community supports, the person's monthly service limit must be equal to the monthly service limits in clause (7), except that a person assigned a case mix classification L must receive the monthly service limit for case mix classification A.

(b) The lead agency may extend the client's eligibility as necessary while making arrangements to facilitate payment of past-due amounts and future premium payments. Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be reinstated for a period of 30 days.

(c) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spenddown or waiver obligation. A person whose initial application for medical assistance and the elderly waiver program is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, medical assistance must be billed for services payable under the federally approved elderly waiver plan and delivered from the date the individual was found eligible for the federally approved elderly waiver plan. Notwithstanding this provision, alternative care funds may not be used to pay for any service the cost of which: (i) is payable by medical assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a medical assistance income spenddown for a person who is eligible to participate in the federally approved elderly waiver program under the special income standard provision.

(d) Alternative care funding is not available for a person who resides in a licensed nursing home, certified boarding care home, hospital, or intermediate care facility, except for case management services which are provided in support of the discharge planning process for a nursing home resident or certified boarding care home resident to assist with a relocation process to a community-based setting.

(e) Alternative care funding is not available for a person whose income is greater than the maintenance needs allowance under section 256S.05, but equal to or less than 120 percent of the federal poverty guideline effective July 1 in the fiscal year for which alternative care eligibility is determined, who would be eligible for the elderly waiver with a waiver obligation.

Sec. 55. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer, including an agent, employee, or representative of the dealer, shall create a record written in English, using an electronic record program at the time of each purchase or acquisition of scrap metal or a motor vehicle. The record must include:

(1) a complete and accurate account or description, including the weight if customarily purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

(2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased or acquired and a unique transaction identifier;

(3) a photocopy or electronic scan of the seller's:

(i) proof of identification, including the identification number, if the seller is an individual; or

(ii) certificate of authority to transact business in Minnesota and business tax identification number, if the seller is an entity;

(4) the amount paid and the number of the check or electronic transfer used to purchase or acquire the scrap metal or motor vehicle;

(5) the license plate number and description of the vehicle used by the person when delivering the scrap metal or motor vehicle, including the vehicle make and model, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

(6) a statement signed by the seller, under penalty of perjury as provided in section 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens or encumbrances and the seller has the right to sell it;

(7) a copy of the receipt, which must include at least the following information: the name and address of the dealer, the date and time the scrap metal or motor vehicle was received by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount paid for the scrap metal or motor vehicle;

(8) the identity or identifier of the employee completing the transaction; and

(9) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the seller's:

(i) current license to sell scrap metal copper issued by the commissioner under subdivision 2c; or

(ii) the documentation used to support the seller being deemed to hold a license to sell scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).

(b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall at all reasonable times be open to the inspection of any properly identified law enforcement officer.

(c) Except for the purchase or acquisition of detached catalytic converters or motor vehicles, no record is required for property purchased or acquired from merchants, manufacturers, salvage pools, insurance companies, rental car companies, financial institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having an established place of business, or of any goods purchased or acquired at open sale from any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained and kept by the person, which must be shown upon demand to any properly identified law enforcement officer.

(d) The dealer must provide a copy of the receipt required under paragraph (a), clause (7), to the seller in every transaction.

(e) The commissioner of public safety and law enforcement agencies in the jurisdiction where a dealer is located may conduct inspections and audits as necessary to ensure compliance, refer violations to the city or county attorney for criminal prosecution, and notify the registrar of motor vehicles.

(f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is required by law or made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

Sec. 56. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1, 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the person has a valid license issued by the commissioner under this subdivision.

(b) On the first Friday of the months of April and October of each calendar year, from 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to $25 of scrap metal copper from individuals who do not have an approved license to sell scrap metal copper under this subdivision. All other requirements of subdivision 1b apply and must be documented by the scrap metal dealer on the dates specified in this paragraph.

(c) A seller of scrap metal copper may apply to the commissioner on a form prescribed by the commissioner.

(d) The application form for an individual must include, at a minimum:

(1) the name, permanent address, telephone number, and date of birth of the applicant; and

(2) an acknowledgment that the applicant obtained the copper by lawful means in the regular course of the applicant's business, trade, or authorized construction work.

(e) The application form for an entity must include, at a minimum:

(1) the name, legal entity type, principal business address, telephone number, and date of formation of the entity; and

(2) an acknowledgment that the applicant obtained the copper by lawful means in the regular course of the applicant's business, trade, or authorized construction work.

~~(d)~~ (f) Each application must be accompanied by a nonrefundable fee of $250.

~~(e)~~ (g) Within 30 days of the date an application is received, the commissioner may require additional information or submissions from an applicant and may obtain any document or information that is reasonably necessary to verify the information contained in the application. Within 90 days after the date a completed application is received, the commissioner must review the application and issue a license if the applicant is deemed qualified under this section. The commissioner may issue a license subject to restrictions or limitations. If the commissioner determines the applicant is not qualified, the commissioner must notify the applicant and must specify the reason for the denial.

~~(f)~~ (h) A person is deemed to hold a license to sell scrap metal copper if the person holds one of the following:

(1) a license to perform work pursuant to chapter 326B or section 103I.501;

(2) a document, certificate, or card of competency issued by a municipality to perform work in a given trade or craft in the building trades. The document, certificate, or card must state that the individual is authorized to sell scrap metal copper. This clause is effective January 1, 2025; or

(3) a Section 608 Technician Certification issued by the United States Environmental Protection Agency.

~~(g)~~ (i) A license issued under this subdivision is valid for one year. To renew a license, an applicant must submit a completed renewal application on a form prescribed by the commissioner and a renewal fee of $250. The commissioner may request that a renewal applicant submit additional information to clarify any new information presented in the renewal application. A renewal application submitted after the renewal deadline must be accompanied by a nonrefundable late fee of $500.

~~(h)~~ (j) The commissioner may deny a license renewal under this subdivision if:

(1) the commissioner determines that the applicant is in violation of or noncompliant with federal or state law; or

(2) the applicant fails to timely submit a renewal application and the information required under this subdivision.

~~(i)~~ (k) In lieu of denying a renewal application under paragraph (g), the commissioner may permit the applicant to submit to the commissioner a corrective action plan to cure or correct deficiencies.

~~(j)~~ (l) The commissioner may suspend, revoke, or place on probation a license issued under this subdivision if:

(1) the applicant engages in fraudulent activity that violates state or federal law;

(2) the commissioner receives consumer complaints that justify an action under this subdivision to protect the safety and interests of consumers;

(3) the applicant fails to pay an application license or renewal fee; or

(4) the applicant fails to comply with a requirement established in this subdivision.

~~(k)~~ (m) This subdivision does not apply to transfers by or to an auctioneer who is in compliance with chapter 330 and acting in the person's official role as an auctioneer to facilitate or conduct an auction of scrap metal.

~~(l)~~ (n) The commissioner must enforce this subdivision under chapter 45.

Sec. 57. Minnesota Statutes 2024, section 332.32, is amended to read:

332.32 EXCLUSIONS.

(a) The term "collection agency" does not include banks when collecting accounts owed to the banks and when the bank will sustain any loss arising from uncollectible accounts, abstract companies doing an escrow business, real estate brokers, public officers, persons acting under order of a court, lawyers, trust companies, insurance companies, credit unions, savings associations, loan or finance companies unless they are engaged in asserting, enforcing or prosecuting unsecured claims which have been purchased from any person, firm, or association when there is recourse to the seller for all or part of the claim if the claim is not collected.

(b) The term "collection agency" ~~shall~~ does not include a trade association performing services authorized by section 604.15, subdivision 4a, but the trade association in performing the services may not engage in any conduct that would be prohibited for a collection agency under section 332.37.

(c) The term "collection agency" does not include a residential mortgage servicer licensed under chapter 58 or a student loan servicer licensed under chapter 58B if the residential mortgage servicer or student loan servicer is engaging in activities subject to licensure under chapter 58 or 58B, as applicable.

Sec. 58. Minnesota Statutes 2024, section 332.52, subdivision 3, is amended to read:

Subd. 3. **Credit services organization.** (a) "Credit services organization" means any person that, with respect to the extension of credit by others, sells, provides, performs, or represents that the person will sell, provide, or perform, in return for the payment of money or other valuable consideration, any of the following services:

(1) improve a buyer's credit record, history, or rating;

(2) obtain an extension of credit for a buyer; or

(3) provide advice or assistance to a buyer with regard to either clause (1) or (2).

(b) "Credit services organization" does not include:

(1) any person authorized to make loans or extensions of credit under the laws of this state or the United States, if the person is subject to regulation and supervision by this state or the United States or a lender approved by the United States Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act, United States Code, title 12, section 1701 et seq.;

(2) any bank, savings bank, or savings and loan institution whose deposits or accounts are eligible for insurance by the Federal Deposit Insurance Corporation or a subsidiary of the bank, savings bank, or savings and loan institution;

(3) any credit union, federal credit union, or out-of-state credit union doing business in this state;

(4) any nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990;

(5) any person ~~licensed as a prorating agency~~ registered as a debt management services provider or debt settlement services provider under the laws of this state, if the person is acting within the course and scope of ~~that license~~ the applicable registration;

(6) any person licensed as a real estate broker by this state if the person is acting within the course and scope of that license;

(7) any person licensed as a collection agency under the laws of this state if the person is acting within the course and scope of that license;

(8) any person licensed to practice law in this state if the person renders services within the course and scope of practice as an attorney;

(9) any broker-dealer registered with the Securities and Exchange Commission or the Commodity Futures Trading Commission if the broker-dealer is acting within the course and scope of that regulation; or

(10) any consumer reporting agency as defined in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681t, as amended through December 31, 1990.

Sec. 59. Minnesota Statutes 2024, section 332A.04, subdivision 1, is amended to read:

Subdivision 1. **Form.** Application for registration to operate as a debt management services provider in this state must be made in writing to the commissioner, under oath, in the form prescribed by the commissioner, and must contain:

(1) the full name of each principal of the entity applying;

(2) the address, which must not be a post office box, and the telephone number and, if applicable, email address, of the applicant;

(3) identification of the trust account required under section 332A.13;

(4) consent to the jurisdiction of the courts of this state;

(5) the name and address of the registered agent authorized to accept service of process on behalf of the applicant or appointment of the commissioner as the applicant's agent for purposes of accepting service of process;

(6) disclosure of:

(i) whether any controlling or affiliated party has ever been convicted of a crime or found civilly liable for an offense involving moral turpitude, including forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense or violation, or any violation of a federal or state law or regulation in connection with activities relating to the rendition of debt management services or involving any consumer fraud, false advertising, deceptive trade practices, or similar consumer protection law;

(ii) any judgments, private or public litigation, tax liens, written complaints, administrative actions, or investigations by any government agency against the applicant or any officer, director, manager, or shareholder owning more than five percent interest in the applicant, unresolved or otherwise, filed or otherwise commenced within the preceding ten years;

(iii) whether the applicant or any person employed by the applicant has had a record of having defaulted in the payment of money collected for others, including the discharge of debts through bankruptcy proceedings; and

(iv) whether the applicant's license or registration to provide debt management services in any other state has ever been revoked or suspended;

(7) a copy of the applicant's standard debt management services agreement that the applicant intends to execute with debtors; and

~~(8) proof of accreditation, unless the applicant was licensed in Minnesota as a debt prorater immediately before August 1, 2007; and~~

~~(9)~~ (8) any other information and material as the commissioner may require.

The commissioner may, for good cause shown, temporarily waive any requirement of this subdivision.

Sec. 60. Minnesota Statutes 2024, section 332B.04, subdivision 1, is amended to read:

Subdivision 1. **Form.** Application for registration to operate as a debt settlement services provider in this state must be made in writing to the commissioner, under oath, in the form prescribed by the commissioner, and must contain:

(1) the full name of each principal of the entity applying;

(2) the address, which must not be a post office box, and the telephone number and, if applicable, email address of the applicant;

(3) consent to the jurisdiction of the courts of this state;

(4) the name and address of the registered agent authorized to accept service of process on behalf of the applicant or appointment of the commissioner as the applicant's agent for purposes of accepting service of process;

(5) disclosure of:

(i) whether any controlling or affiliated party has ever been convicted of a crime or found civilly liable for an offense involving moral turpitude, including forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense or violation, or any violation of a federal or state law or regulation in connection with activities relating to the rendition of debt settlement services or involving any consumer fraud, false advertising, deceptive trade practices, or similar consumer protection law;

(ii) any judgments, private or public litigation, tax liens, written complaints, administrative actions, or investigations by any government agency against the applicant or any officer, director, manager, or shareholder owning more than five percent interest in the applicant, unresolved or otherwise, filed or otherwise commenced within the preceding ten years;

(iii) whether the applicant or any person employed by the applicant has had a record of having defaulted in the payment of money collected for others, including the discharge of debts through bankruptcy proceedings; and

(iv) whether the applicant's license or registration to provide debt settlement services in any other state has ever been revoked or suspended;

(6) a copy of the applicant's standard debt settlement services agreement that the applicant intends to execute with debtors; and

~~(7) proof of accreditation, unless the applicant submits an affidavit attesting that the applicant does not provide credit counseling services; and~~

~~(8)~~ (7) any other information and material as the commissioner may require.

The commissioner may, for good cause shown, temporarily waive any requirement of this subdivision.

Sec. 61. Laws 2026, chapter 72, section 1, subdivision 5, is amended to read:

Subd. 5. **Penalties.** (a) The attorney general may enforce this section under section 8.31. In addition to other remedies or penalties, a person who violates this section is subject to a civil penalty not to exceed $500,000 for each unlawful access, download, or use under subdivision 2.

(b) Notwithstanding any contrary provision in law, including but not limited to section 16A.151, any civil penalty recovered under this subdivision must be deposited into the ~~general fund. On July 1 each year, the accumulated balance of civil penalties collected in the previous year is appropriated to the commissioner of public safety for the Office of Justice Programs to provide grants to organizations to provide direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing:~~

~~(1) direct client assistance to crime victims;~~

~~(2) competitive wages for direct service staff;~~

~~(3) hotel stays and other housing-related supports and services;~~

~~(4) culturally responsive programming;~~

~~(5) prevention programming, including domestic abuse transformation and restorative justice programming; and~~

~~(6) for other needs of organizations and crime victim survivors.~~

~~Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. Up to five percent of the appropriation is available for grant administration~~ victims of crime account under Minnesota Statutes, section 299A.708.

Sec. 62. **EFFECTIVE DATE MODIFICATION FOR LAWS 2026, CHAPTER 48.**

Laws 2026, chapter 48, sections 1, 2, and 5, are effective retroactively from April 22, 2026.

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

Sec. 63. **REPEALER.**

Minnesota Statutes 2024, sections 56.08; 332A.02, subdivision 2; and 332B.02, subdivision 2, are repealed.

ARTICLE 2
SECURITIES

Section 1. Minnesota Statutes 2024, section 80A.50, is amended to read:

80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL CORPORATE OFFERING REGISTRATION.

(a) **Federal covered securities.**

(1) **Required filing of records.** With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S. C. Section 77r(b)(2)), that is not otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued under this chapter may require the filing of any or all of the following records:

(A) before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with section 80A.88 signed by the issuer;

(B) after the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; and

(C) to the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and Exchange Commission.

(2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this chapter to be filed. A previously filed consent to service of process complying with section 80A.88 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

(3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With respect to a security that is a federal covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S. C. Section 77r(b)(4)(D)), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process complying with section 80A.88 signed by the issuer not later than 15 days after the first sale of the federal covered security in this state.

(4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S. C. Section 77r(b)(1)), if the administrator finds that there is a failure to comply with a notice or fee requirement of this section, the administrator may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator.

(b) **Small corporation offering registration.**

(1) **Registration required.** A security meeting the conditions set forth in this section may be registered as set forth in this section.

(2) **Availability.** Registration under this section is available only to the issuer of securities and not to an affiliate of the issuer or to any other person for resale of the issuer's securities. The issuer must be organized under the laws of one of the states or possessions of the United States. The securities offered must be exempt from registration under the Securities Act of 1933 pursuant to Rule 504 of Regulation D (15 U.S. C. Section 77c).

(3) **Disqualification.** Registration under this section is not available to any of the following issuers:

(A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934;

(B) an investment company;

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person;

(D) an issuer if the issuer or any of its predecessors, officers, directors, governors, partners, ten percent stock or equity holders, promoters, or any selling agents of the securities to be offered, or any officer, director, governor, or partner of the selling agent:

(i) has filed a registration statement that is the subject of a currently effective registration stop order entered under a federal or state securities law within five years before the filing of the small corporate offering registration application;

(ii) has been convicted within five years before the filing of the small corporate offering registration application of a felony or misdemeanor in connection with the offer, purchase, or sale of a security or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is currently subject to a state administrative enforcement order or judgment entered by a state securities administrator or the Securities and Exchange Commission within five years before the filing of the small corporate offering registration application, or is subject to a federal or state administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within five years before the filing of the small corporate offering registration application;

(iv) is currently subject to an order, judgment, or decree of a court of competent jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction permanently restraining or enjoining the party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with a state or with the Securities and Exchange Commission entered within five years before the filing of the small corporate offering registration application; or

(v) is subject to a state's administrative enforcement order, or judgment that prohibits, denies, or revokes the use of an exemption for registration in connection with the offer, purchase, or sale of securities,

(I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the dealer employing the party is licensed or registered in this state and the form BD filed in this state discloses the order, conviction, judgment, or decree relating to the person, and

(II) except that the disqualification under this subdivision is automatically waived if the state securities administrator or federal agency that created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances to deny the registration.

(4) **Filing and effectiveness of registration statement.** A small corporate offering registration statement must be filed with the administrator. If no stop order is in effect and no proceeding is pending under section 80A.54, such registration statement shall become effective automatically at the close of business on the 20th day after filing of the registration statement or the last amendment of the registration statement or at such earlier time as the administrator may designate by rule or order. For the purposes of a nonissuer transaction, other than by an affiliate of the issuer, all outstanding securities of the same class identified in the small corporate offering registration statement as a security registered under this chapter are considered to be registered while the small corporate offering registration statement is effective. A small corporate offering registration statement is effective for one year after its effective date or for any longer period designated in an order under this chapter. A small corporate offering registration statement may be withdrawn only with the approval of the administrator.

(5) **Contents of registration statement.** A small corporate offering registration statement under this section shall be on Form U-7, including exhibits required by the instructions thereto, as adopted by the North American Securities Administrators Association, or such alternative form as may be designated by the administrator by rule or order and must include:

(A) a consent to service of process complying with section 80A.88;

(B) a statement of the type and amount of securities to be offered and the amount of securities to be offered in this state;

(C) a specimen or copy of the security being registered, unless the security is uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents in effect, and a copy of any indenture or other instrument covering the security to be registered;

(D) a signed or conformed copy of an opinion of counsel concerning the legality of the securities being registered which states whether the securities, when sold, will be validly issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

(E) the states (i) in which the securities are proposed to be offered; (ii) in which a registration statement or similar filing has been made in connection with the offering including information as to effectiveness of each such filing; and (iii) in which a stop order or similar proceeding has been entered or in which proceedings or actions seeking such an order are pending;

(F) a copy of the offering document proposed to be delivered to offerees; and

(G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with section 80A.46(17)(B).

(6) **Copy to purchaser.** A copy of the offering document as filed with the administrator must be delivered to each person purchasing the securities prior to sale of the securities to such person.

(c) **Offering limit.** Offers and sales of securities under a small corporate offering registration as set forth in this section are allowed up to the limit prescribed by Code of Federal Regulations, title 17, part 230.504 (b)(2), as amended.

(d) **Regulation A - Tier 2 filing requirements.**

(1) **Initial filing.** An issuer planning to offer and sell securities in Minnesota in an offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before the date of the initial sale of securities in Minnesota, submit to the administrator:

(A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the documents filed with the Securities Exchange Commission; and

(B) a consent to service of process on Form U-2, if consent to service of process is not provided in the Regulation A - Tier 2 offering notice filing form.

The initial notice filing made in Minnesota is effective for 12 months after the date the filing is made.

(2) **Renewal.** For each additional 12-month period in which the same offering is continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing must be made on or before the date notice filing expires.

(3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting a Regulation A - Tier 2 offering notice filing form or other document describing the transaction.

(e) **Notice filing requirement for federal crowdfunding offerings.** This paragraph applies to offerings made under Regulation Crowdfunding, Code of Federal Regulations, title 17, part 227, and sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933, United States Code, title 15, sections 77d(A)(6) and 77r(b)(4)(C).

(1) **Initial filing.** An issuer that (i) offers and sells securities in Minnesota in an offering exempt under federal Regulation Crowdfunding, and (ii) has a principal place of business in Minnesota or sells at least 50 percent of the offering's aggregate amount to Minnesota residents, must file with the administrator:

(A) a completed Uniform Notice of Federal Crowdfunding Offering form or copies of all documents filed with the Securities and Exchange Commission; and

(B) if the issuer is not filing on the Uniform Notice of Federal Crowdfunding Offering form, consent to service of process on Form U-2.

If the issuer's principal place of business is in Minnesota, the initial filing must be submitted with the administrator when the issuer makes the issuer's initial Form C filing concerning the offering with the Securities and Exchange Commission. If the issuer's principal place of business is not in Minnesota but Minnesota residents have purchased at least 50 percent of the aggregate amount of the offering, the filing must be submitted when the issuer becomes aware that the aggregate purchases made by Minnesota residents meets the threshold, but no later than 30 days after the date the offering is complete. The initial notice filing is effective for a 12-month period beginning on the date the initial filing is submitted to the administrator.

(2) **Renewal.** For each additional 12-month period in which a single offering is continued, an issuer conducting an offering under federal Regulation Crowdfunding may renew the issuer's notice filing by filing with the administrator on or before the date the current notice filing expires:

(A) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked "renewal"; or

(B) a cover letter or other document requesting renewal.

(3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting (i) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked "amendment," or (ii) another document that describes the modified transaction.

Sec. 2. Minnesota Statutes 2025 Supplement, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22):

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78q(a)) if they are readily accessible to the administrator; ~~and~~

(3) a broker-dealer must establish and maintain: (i) a set of written supervisory procedures that reasonably prevent and detect violations of chapter 80A; Minnesota Rules, chapter 2876; or related orders issued by the commissioner; and (ii) a system to apply the procedures established under this clause. The procedures must designate by name or title a number of supervisory employees that is reasonable relative to the number of the broker-dealer's registered agents, offices, and transactions in Minnesota. A copy of the written procedures and the system to apply the procedures must be kept and maintained at each branch office affiliated with the broker-dealer. A broker-dealer may use electronic media in accordance with FINRA Rule 3110.11, or any successor federal law, to satisfy its obligation under this paragraph; and

~~(3)~~ (4) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) **Records and reports of private funds.**

(1) **In general.** An investment adviser to a private fund shall maintain such records of, and file with the administrator such reports and amendments thereto, that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

(2) **Treatment of records.** The records and reports of any private fund to which an investment adviser provides investment advice shall be deemed to be the records and reports of the investment adviser.

(3) **Required information.** The records and reports required to be maintained by an investment adviser, which are subject to inspection by a representative of the administrator at any time, shall include for each private fund advised by the investment adviser, a description of:

(A) the amount of assets under management;

(B) the use of leverage, including off-balance-sheet leverage, as to the assets under management;

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

(G) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors;

(H) trading practices; and

(I) such other information as the administrator determines is necessary and appropriate in the public interest and for the protection of investors, which may include the establishment of different reporting requirements for different classes of fund advisers, based on the type or size of the private fund being advised.

(4) **Filing of records.** A rule or order under this chapter may require each investment adviser to a private fund to file reports containing such information as the administrator deems necessary and appropriate in the public interest and for the protection of investors.

(e) **Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter, including the records of a private fund described in paragraph (d) and the records of investment advisers to private funds, are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least $25,000, but not to exceed $100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

(g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(h) **Investment adviser brochure rule.** With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization, the North American Securities Administrators Association, or the commissioner.

(j) **Business continuity and succession plan.** An investment adviser registered or required to be registered under this chapter must establish, maintain, and enforce written policies and procedures relating to business continuity and succession planning. At a minimum, the policies and procedures under this paragraph must provide:

(1) a means to protect, back up, and recover books and records;

(2) an alternate method to provide notice to customers; key personnel; employees; vendors; service providers, including third-party custodians; and regulators, regarding issues pertaining to the investment adviser's business operations, including but not limited to significant business interruption, the death or unavailability of key personnel, other disruption to business activities, or ceasing business operations;

(3) a plan to relocate the office space for a principal place of business that is subject to a temporary or permanent loss;

(4) a plan to assign duties to qualified responsible persons if key personnel die or are otherwise unavailable; and

(5) a plan to otherwise minimize service disruption and client harm that might result from sudden and significant business interruption.

(k) **Physical security and cybersecurity policies and procedures.** An investment adviser registered or required to be registered under this chapter must establish, implement, update, and enforce written physical security and cybersecurity policies and procedures that are designed to ensure the confidentiality, integrity, and availability of physical and electronic records and information. The policies and procedures must be tailored to the investment adviser's business model and must take into account the investment adviser's business size, type of service provided, and number of locations.

(1) The physical security and cybersecurity policies and procedures must:

(A) protect against reasonably anticipated threats or hazards to the security or integrity of client records and information;

(B) ensure that the investment adviser protects confidential client records and information; and

(C) protect client records and information that, if released, might result in harm or inconvenience to the client.

(2) At a minimum, the physical security and cybersecurity policies and procedures must develop and implement:

(A) an organizational understanding to manage information security risk with respect to systems, assets, data, and capabilities;

(B) safeguards to ensure delivery of critical infrastructure services;

(C) actions and tools to identify when an information security event occurs;

(D) actions to take when an information security event is detected; and

(E) plans for security and system resilience, and to restore capabilities or services that are impaired due to an information security event.

(3) At the time a client engages an investment adviser and on an annual basis thereafter, an investment adviser must deliver to the client a privacy policy that is reasonably designed to assist the client understand how the investment adviser collects and shares, to the extent permitted by state and federal law, nonpublic personal information. If information in the policy becomes materially inaccurate, the investment adviser must promptly update and deliver an amended privacy policy to the client.

(l) **Written confirmation.** A broker-dealer must promptly provide to the customer a written confirmation at or before completing a transaction in accordance with FINRA Rule 2232, or any successor federal law. The confirmation must:

(1) describe the security purchased or sold, the date of the transaction, the price of the security purchased or sold, and any commission charged;

(2) indicate whether the broker-dealer acted for the broker-dealer's account, as an agent for a customer, as an agent for another person, or as an agent for both a customer and another person;

(3) if the broker-dealer is acting as an agent for a customer, include (i) the name of the person who purchased the security, (ii) the name of the person who sold the security, or (iii) a statement that the information in item (i) or (ii) is available to a customer on request if the broker-dealer knows the information or is able to ascertain the information with reasonable diligence;

(4) indicate whether the transaction was unsolicited; and

(5) indicate the name of the agent that executed the transaction.

A broker-dealer that complies with Securities and Exchange Commission Rule 10b-10, Code of Federal Regulations, title 17, part 240.10b-10, or article III, section 12, of the Financial Industry Regulatory Authority Rules of Fair Practice, complies with this paragraph.

(m) **Conditions; stipulations; provisions.** A broker-dealer is prohibited from entering into a contract with a customer if the contract contains a condition, stipulation, or provision that binds the customer to waive rights under chapter 80A; Minnesota Rules, chapter 2876; or an order issued by the commissioner. A condition, stipulation, or provision included in a contract subject to this paragraph is void.

(n) **Principal office; employment.** A broker-dealer whose principal office is located in Minnesota must have at least one registered person employed on a full-time basis at the principal office located in Minnesota. This paragraph does not apply to a broker-dealer engaged solely in offering and selling:

(1) interests in a direct participation program; or

(2) securities issued by open-end investment companies, face amount certificate companies, or unit investment trusts registered under the Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64.

Sec. 3. **[80A.691] BROKER-DEALERS; AGENTS; DISHONEST OR UNETHICAL BUSINESS PRACTICES.**

Subdivision 1. **Broker-dealers; standards and principles.** A broker-dealer must observe high standards of commercial honor and just and equitable principles of trade when conducting the broker-dealer's business. An act or practice that is contrary to the standards constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's registration or to take other action authorized by statute. For purposes of this subdivision, an act or practice that is contrary to the standards includes:

(1) engaging in a pattern of unreasonable and unjustifiable delays with respect to: (i) delivering securities purchased by a customer; or (ii) upon request, paying free credit balances reflecting a customer's completed transactions;

(2) inducing trading in a customer's account that is excessive in size or frequency considering the account's financial resources and character;

(3) recommending that a customer purchase, sell, or exchange a security without reasonable grounds to believe the transaction or recommendation is suitable for the customer, based on: (i) a reasonable inquiry regarding the customer's investment objectives, financial situation, and needs; and (ii) other relevant information known by the broker-dealer;

(4) recommending a security transaction or investment strategy involving securities, including account recommendations, to a retail customer if the recommendation does not comply with the obligations set forth in Code of Federal Regulations, title 17, section 240.15l-1;

(5) executing a transaction on behalf of a customer without the customer's authorization;

(6) exercising discretionary power to effect a transaction for a customer's account without first obtaining written discretionary authority from the customer, unless the discretionary power relates solely to the time the order is executed or the order's price;

(7) executing a transaction in a margin account without securing from the customer a properly executed written margin agreement promptly after the account's initial transaction;

(8) failing to segregate customers' free securities or securities held in safekeeping;

(9) hypothecating a customer's securities without having a lien on the customer's securities, unless the broker-dealer secures the customer's properly executed written consent promptly after the initial transaction, except as permitted by Securities and Exchange Commission regulations;

(10) entering into a transaction with or for a customer at a price that is not reasonably related to the security's current market price, or receiving an unreasonable commission or profit;

(11) failing to furnish to a customer purchasing securities in an offering, no later than the due date for the transaction's confirmation: (i) a final prospectus; or (ii) a preliminary prospectus and an additional document that, when combined with the preliminary prospectus, includes all of the information included in the final prospectus;

(12) charging an unreasonable or inequitable fee for services performed, including: (i) miscellaneous services that include but are not limited to collecting money due for principal, dividends or interest, exchanging or transferring securities, appraisals, safekeeping, or maintaining custody of securities; and (ii) other services related to the broker-dealer's securities business;

(13) offering to buy or sell a security at a stated price if the broker-dealer is not prepared to purchase or sell at the stated price and under the stated conditions at the time the offer to buy or sell is made;

(14) representing that a security is being offered to a customer "at the market" or at a price relevant to the market price, unless the broker-dealer knows or has reasonable grounds to believe a market for the security exists other than the market made, created, or controlled by: (i) the broker-dealer; (ii) a person for whom the broker-dealer is acting or with whom the broker-dealer is associated with respect to the security's distribution; or (iii) a person controlled by, controlling, or under common control with the broker-dealer;

(15) effecting a transaction in, or inducing the purchase or sale of, a security using a manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance, which includes but is not limited to:

(i) effecting a transaction in a security that involves no change in the security's beneficial ownership;

(ii) entering an order to purchase or sell a security with the knowledge that at least one other order for the same security that is substantially the same size, entered at substantially the same time, and for substantially the same price as the order has been or will be entered by or for the same or a different party to create (A) a false or misleading appearance of active trading in the security, or (B) a false or misleading appearance with respect to the market for the security. This item does not prohibit a broker-dealer from entering bona fide agency cross transactions for the broker-dealer's customers; or

(iii) effecting, alone or with another person, a series of transactions in a security that creates actual or apparent active trading in the security, or raises or reduces the price of the security, to induce others to purchase or sell the security;

(16) guaranteeing a customer against loss in: (i) a securities account the broker-dealer carries for the customer; (ii) a securities transaction effected by the broker-dealer; or (iii) a securities transaction effected by the broker-dealer with or for the customer;

(17) publishing or circulating, or causing to be published or circulated, a notice, circular, advertisement, newspaper article, investment service, or communication of any kind that purports to: (i) report a transaction as a purchase or sale of a security, unless the broker-dealer believes that the transaction was a bona fide purchase or sale of the security; or (ii) quote the bid price or asked price for a security, unless the broker-dealer believes the quote represents a bona fide bid for or offer of the security;

(18) using an advertising or sales presentation in a manner that is deceptive or misleading, including but not limited to distributing: (i) nonfactual data, material, or a presentation based on conjecture, unfounded claims, or unrealistic claims; or (ii) assertions in a brochure, flyer, or display using words, pictures, graphs, or other representations that are designed to supplement, detract from, supersede, or defeat a prospectus' or disclosure's purpose or effect;

(19) failing to disclose to a customer, before entering into a contract with or for a customer to purchase or sell a security, that the broker-dealer is controlled by, controlling, affiliated with, or under common control with the security's issuer. If a disclosure under this clause is not made in writing, the disclosure must be supplemented by giving or sending written disclosure before or at the time the transaction is completed;

(20) failing to make a bona fide public offering of all of the securities allotted to a broker-dealer for distribution, whether the securities are acquired as an underwriter, as a selling group member, or from a member participating in the distribution as an underwriter or selling group member;

(21) failing or refusing to: (i) furnish a customer, upon reasonable request, information the customer is entitled to; or (ii) respond to a formal written request or complaint;

(22) failing to pay and fully satisfy a final judgment or arbitration award resulting from an arbitration or court proceeding relating to an investment and initiated by the customer, unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies with the terms of the alternative payment arrangement;

(23) attempting to avoid paying a final judgment or arbitration award resulting from an arbitration or court proceeding relating to an investment and initiated by the customer, unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies with the terms of the alternative payment arrangement;

(24) failing to pay and fully satisfy a fine, civil penalty, order of restitution, order of disgorgement, or similar monetary payment obligation imposed upon the broker-dealer or broker-dealer's agent by the Securities and Exchange Commission, a state or provincial securities or other financial services regulator, or a self-regulatory organization;

(25) accessing a client's account by using the client's unique identifying information, including but not limited to the client's username and password;

(26) in connection with soliciting a sale or purchase of an over-the-counter non-NASDAQ security, failing to promptly provide the most current prospectus or the most recently filed periodic report filed under Section 13 of the Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended, if the broker-dealer receives a request from a customer;

(27) marking an order ticket or confirmation as unsolicited if the transaction is solicited;

(28) for each month in which activity has occurred in a customer's account and no less frequently than once every three months regardless of whether customer account activity has occurred, failing to provide the customer with an account statement that, with respect to all over-the-counter non-NASDAQ equity securities in the account, contains a value for each security based on the closing market bid on a date certain. This clause applies only if the broker-dealer has been a market maker in the security at any time during the month in which the monthly or quarterly statement is issued; or

(29) failing to comply with an applicable provision of the Financial Industry Regulatory Authority conduct rules or an applicable fair practice or ethical standard promulgated by the Securities and Exchange Commission or a self-regulatory organization approved by the Securities and Exchange Commission.

Subd. 2. **Broker-dealer's agents; standards and principles.** A broker-dealer's agent must observe high standards of commercial honor and just and equitable principles of trade when conducting the broker-dealer's agent's business. An act or practice that is contrary to the standards constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's agent's registration or to take other action authorized by statute. For purposes of this subdivision, an act or practice that is contrary to the standards includes:

(1) lending to or borrowing from a customer money or securities, or acting as a custodian for a customer's money, securities, or executed stock power, unless otherwise permissible under FINRA Rule 3240 or any successor federal law;

(2) effecting securities transactions that are not recorded on the regular books or records maintained by the broker-dealer the broker-dealer's agent represents, unless the transactions are authorized in writing by the broker-dealer before executing the transaction or exempt as subscription-way transactions under Rule 17a-3 of the Securities Exchange Act of 1934 or any successor federal law;

(3) establishing or maintaining an account that contains fictitious information in order to execute transactions that are otherwise prohibited;

(4) sharing directly or indirectly in profits or losses in a customer account without the written authorization from the customer and the broker-dealer the broker-dealer's agent represents;

(5) dividing or otherwise splitting the broker-dealer's agent's commissions, profits, or other compensation from purchasing or selling securities with a person who is not also registered as a broker-dealer's agent for the same broker-dealer or for a broker-dealer under direct or indirect common control or unless otherwise allowed under Securities and Exchange Commission rules, guidance, or authorization; or

(6) engaging in the conduct specified under subdivision 1, clause (2), (3), (4), (5), (6), (7), (10), (11), (15), (16), (17), (18), (22), (23), (24), (25), (26), (27), (28), or (29).

Subd. 3. **Conduct specified not exclusive.** The conduct identified as a violation under subdivisions 1 and 2 is not exclusive. A broker-dealer or broker-dealer's agent that engages in other conduct, including but not limited to forgery, embezzlement, nondisclosure, incomplete disclosure, misstatement of material facts, or manipulative or deceptive practices, is also subject to denial, suspension, or revocation of registration.

Sec. 4. Minnesota Statutes 2024, section 80C.12, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The commissioner, with or without prior notice or hearing, may issue a cease and desist order and may issue an order denying, suspending or revoking any registration, amendment or exemption on finding any of the following:

~~(a)~~ (1) that the applicant, registrant or franchisor or any officer, director, agent or employee thereof or any other person has violated or failed to comply with any provision of sections 80C.01 to 80C.22 or any rule or order of the commissioner;

~~(b)~~ (2) that the offer, sale, or purchase of the franchise would constitute misrepresentation to or deceit or fraud upon purchasers thereof, or has worked or tended to work a fraud upon purchasers or would so operate;

~~(c)~~ (3) that the applicant, registrant or franchisor or any officer, director, agent or employee thereof or any other person is engaging or about to engage in false, fraudulent or deceptive practices in connection with the offer and sale of a franchise;

~~(d)~~ (4) that any person identified in a public offering statement has been: (i) convicted of an offense or held liable in a civil action by final judgment described in section 80C.04, subdivision 1, paragraph (e), clause ~~(5)~~ (1), has a civil or criminal action pending as described in section 80C.04, subdivision 1, paragraph (e), clause (5), or is subject to an order~~, or has had a civil judgment entered against the person as described in section 80C.04, clause (5),~~ described in section 80C.04, subdivision 1, paragraph (e), clauses (2) to (4); and (ii) the involvement of the person in the business of the applicant or franchisor creates a substantial risk to prospective franchisees;

~~(e)~~ (5) that the financial condition of the franchisor adversely affects or would adversely affect the ability of the franchisor to fulfill its obligations under the franchise agreement;

~~(f)~~ (6) that the franchisor's enterprise or method of business includes or would include activities which are illegal where performed; or

~~(g)~~ (7) that the method of sale or proposed method of sale of franchises or the operation of the business of the franchisor or any term or condition of the franchise agreement or any practice of the franchisor is or would be unfair or inequitable to franchisees.

ARTICLE 3
HEALTH INSURANCE

Section 1. **[60A.071] SUBSTANTIAL ENROLLMENT GROWTH; NOTIFICATION.**

Subdivision 1. **Notice required.** (a) No later than April 15 each year, an insurance company that issues health plans, as defined in section 62A.011, and is licensed under this chapter to offer, sell, or issue a policy of accident and sickness insurance, as defined in section 62A.01, subdivision 1, or that is a nonprofit health service plan corporation operating under chapter 62C must notify the commissioner if, for an insurance company or nonprofit health service plan corporation with at least 25,000 enrollees, the insurance company or nonprofit health service plan corporation:

(1) increases the total number of enrollees, as of April 1 in the current calendar year, by more than 35 percent of the insurance company's or nonprofit health service plan corporation's total number of enrollees for the immediately preceding calendar year; or

(2) increases the total number of enrollees in a specific line of business or product by a percentage that is greater than the percentage of growth threshold established by the commissioner for the specific line of business or product.

(b) For purposes of this section, the number of enrollees must be calculated in a manner consistent with the insurance company or nonprofit health service plan corporation's reported covered lives in the company's National Association of Insurance Commissioners Annual Statement.

Subd. 2. **Additional information.** (a) Upon receiving notice under subdivision 1, the commissioner may request and the insurance company or nonprofit health service plan corporation must provide additional information regarding the insurance company's or nonprofit health service plan corporation's financial readiness to serve the increased enrollment. The additional information requested may include but is not limited to:

(1) the conditions contributing to the insurance company's or nonprofit health service plan corporation's enrollment growth;

(2) a three-year projected statutory balance sheet, income statements, and cash flow statements for the current year and the subsequent two years;

(3) the key assumptions impacting the projections and the sensitivity of the projections to the assumptions; and

(4) a description of anticipated issues associated with the insurance company's or nonprofit health service plan corporation's business, including but not limited to (i) assets, (ii) anticipated business growth and associated surplus strain, (iii) significant change in risk profile, (iv) mix of business, and (v) reinsurance use, if any, in each case.

(b) If the information reported under paragraph (a) raises a concern with respect to an insurance company's or nonprofit health service plan corporation's business on a prospective basis due to anticipated business growth, including but not limited to anticipated business growth, strain on surplus, increased exposure to risk, or an imbalanced mix of business, the commissioner may issue a corrective order specifying corrective actions the commissioner determines are required. A corrective order issued under this paragraph is subject to review under chapter 14.

Sec. 2. Minnesota Statutes 2024, section 62D.08, is amended by adding a subdivision to read:

Subd. 8. **Information sharing.** The commissioner of commerce must share nonpublic data submitted by health maintenance organizations under this section with (1) the commissioner of health and the commissioner of human services, (2) other state and federal regulatory agencies, and (3) the National Association of Insurance Commissioners, if the requesting recipient under clauses (1) to (3) agrees to maintain the data in a manner consistent with the data's classification under chapter 13. The commissioner of commerce may enter into agreements governing the sharing and use of information, provided the agreements are consistent with this subdivision.

Sec. 3. **[62D.085] SUBSTANTIAL ENROLLMENT GROWTH; NOTICE.**

Subdivision 1. **Notice required.** (a) No later than April 15 each year, a health maintenance organization that is operating under this chapter and that has at least 25,000 enrollees must notify the commissioner if the health maintenance organization:

(1) increases the total number of enrollees, as of April 1 in the current calendar year, by more than 35 percent of the health maintenance organization's total number of enrollees for the immediately preceding calendar year; or

(2) increases the total number of enrollees in a specific line of business or product by a percentage that is greater than the percentage of growth threshold established by the commissioner for the specific line of business or product.

(b) For purposes of this section, the number of enrollees must be calculated in a manner consistent with the health maintenance organization's reported covered lives in the company's National Association of Insurance Commissioners Annual Statement.

Subd. 2. **Additional information.** (a) Upon receiving notice under subdivision 1, the commissioner may request and the health maintenance organization must provide additional information regarding the health maintenance organization's financial readiness to serve the increased enrollment. The additional information requested may include but is not limited to:

(1) the conditions contributing to the health maintenance organization's enrollment growth;

(2) a three-year projected statutory balance sheet, income statements, and cash flow statements for the current year and the subsequent two years;

(3) the key assumptions impacting the projections and the sensitivity of the projections to the assumptions; and

(4) a description of anticipated issues associated with the health maintenance organization's business, including but not limited to (i) assets, (ii) anticipated business growth and associated surplus strain, (iii) significant change in risk profile, (iv) mix of business, and (v) reinsurance use, if any, in each case.

(b) If the information reported under paragraph (a) raises a concern with respect to a health maintenance organization's business on a prospective basis due to anticipated business growth, including but not limited to anticipated business growth, strain on surplus, increased exposure to risk, or an imbalanced mix of business, the commissioner may issue a corrective order specifying corrective actions the commissioner determines are required. A corrective order issued under this paragraph is subject to review under chapter 14.

Sec. 4. Minnesota Statutes 2024, section 62J.40, is amended to read:

62J.40 COST CONTAINMENT DATA FROM STATE AGENCIES AND OTHER GOVERNMENTAL UNITS.

(a) All state departments or agencies that administer one or more health care programs shall provide to the commissioner of health any additional data on the health care programs they administer that is requested by the commissioner of health, including data in unaggregated form, for purposes of developing estimates of spending, setting spending limits, and monitoring actual spending. The data must be provided at the times and in the form specified by the commissioner of health.

(b) For purposes of estimating total health care spending as provided in section 62J.301, subdivision 4, clause (c), all local governmental units shall provide expenditure data to the commissioner. The commissioner shall consult with representatives of the affected local government units in establishing definitions, reporting formats, and reporting time frames. As much as possible, the data shall be collected in a manner that ensures that the data collected is consistent with data collected from the private sector and minimizes the reporting burden to local government.

(c) A state agency that purchases health care services, provides oversight over health insurance rates, collects taxes imposed under section 295.52, or regulates health care entities must provide to the commissioner nonpublic data the commissioner requests to satisfy statutory duties under sections 62J.301 to 62J.461, 62J.84, 62J.87, 62U.01 to 62U.10, 144.70, 145D.01, and 145D.02, with respect to monitoring the health care market, including but not limited to consolidation, transaction, corporate structure, utilization, quality, spending growth, and prescription drug supply chains.

(d) The commissioner may request unique or custom data sets from a state agency in a request under paragraph (c). The state agency may charge the commissioner a fee to provide data sets under paragraph (c) at the same rate the state agency charges another public or private entity for the same data.

(e) Data provided to the commissioner under paragraph (c) retains the data's original classification under chapter 13. Data provided to the commissioner under paragraph (c) may be included in public reports if the data are aggregated and deidentified.

Sec. 5. Minnesota Statutes 2024, section 62K.07, subdivision 2, is amended to read:

Subd. 2. **Prescription drug costs.** (a) Each health carrier that offers a prescription drug benefit in its individual health plans or small group health plans shall include in the applicable rate filing required under section 62A.02 the following information about covered prescription drugs:

(1) the 25 most frequently prescribed drugs in the previous plan year;

(2) the 25 most costly prescription drugs as a portion of the individual health plan's or small group health plan's total annual expenditures in the previous plan year;

(3) the 25 prescription drugs that have caused the greatest increase in total individual health plan or small group health plan spending in the previous plan year;

(4) the projected impact of the cost of prescription drugs on premium rates;

(5) if any health plan offered by the health carrier requires enrollees to pay cost-sharing on any covered prescription drugs including deductibles, co-payments, or coinsurance in an amount that is greater than the amount the enrollee's health plan would pay for the drug absent the applicable enrollee cost-sharing and after accounting for any rebate amount; and

(6) if the health carrier prohibits third-party payments including manufacturer drug discounts or coupons that cover all or a portion of an enrollee's cost-sharing requirements including deductibles, co-payments, or coinsurance from applying toward the enrollee's cost-sharing obligations under the enrollee's health plan.

(b) The commissioner of commerce must share reported data with the commissioner of health and, in consultation with the commissioner of health, shall release a summary of the information reported in paragraph (a) at the same time as the information required under section 62A.02, subdivision 2, paragraph (c).

Sec. 6. Minnesota Statutes 2024, section 62M.09, subdivision 3, is amended to read:

Subd. 3. **Physician reviewer; adverse determinations.** (a) A physician must review and make the adverse determination under section 62M.05 in all cases in which the utilization review organization has concluded that an adverse determination for clinical reasons is appropriate.

(b) The physician conducting the review and making the adverse determination must:

(1) hold a current, unrestricted license to practice medicine in this state; and

(2) have the same or similar medical specialty as a provider that typically treats or manages the condition for which the health care service has been requested.

This paragraph does not apply to reviews conducted in connection with policies issued by a health plan company that is assessed less than three percent of the total amount assessed by the Minnesota Comprehensive Health Association.

(c) The physician should be reasonably available by telephone to discuss the determination with the attending health care professional.

(d) Notwithstanding paragraph (a), a review of an adverse determination involving a prescription drug must be conducted by a licensed pharmacist or physician who is competent to evaluate the specific clinical issues presented in the review.

(e) This subdivision does not apply to outpatient mental health or substance abuse services governed by subdivision 3a.

(f) A utilization review organization is prohibited from using any form of automated processing alone without a clinician review by an appropriate health professional, as required under this section, when making an adverse determination.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 7. Minnesota Statutes 2024, section 62Q.47, is amended to read:

62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons seeking chemical dependency services under section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health services, psychiatric residential treatment facility services, and inpatient hospital and residential chemical dependency and alcoholism services, except for persons seeking chemical dependency services under section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) A health plan company must not impose an NQTL with respect to mental health and substance use disorders in any classification of benefits unless, under the terms of the health plan as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to mental health and substance use disorders in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the NQTL with respect to medical and surgical benefits in the same classification.

(e) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal guidance or regulations issued under, those acts.

(f) The commissioner may require information from health plan companies to confirm that mental health parity is being implemented by the health plan company. Information required may include comparisons between mental health and substance use disorder treatment and other medical conditions, including a comparison of prior authorization requirements, drug formulary design, claim denials, rehabilitation services, and other information the commissioner deems appropriate.

(g) Regardless of the health care provider's professional license, if the service provided is consistent with the provider's scope of practice and the health plan company's credentialing and contracting provisions, mental health therapy visits and medication maintenance visits shall be considered primary care visits for the purpose of applying any enrollee cost-sharing requirements imposed under the enrollee's health plan.

(h) All health plan companies offering health plans that provide coverage for alcoholism, mental health, or chemical dependency benefits shall provide reimbursement for the benefits delivered through the psychiatric Collaborative Care Model, which must include the following Current Procedural Terminology or Healthcare Common Procedure Coding System billing codes:

(1) 99492;

(2) 99493;

(3) 99494;

(4) G2214; and

(5) G0512.

This paragraph does not apply to managed care plans or county-based purchasing plans when the plan provides coverage to public health care program enrollees under chapter 256B or 256L.

(i) The commissioner of commerce shall update the list of codes in paragraph (h) if any alterations or additions to the billing codes for the psychiatric Collaborative Care Model are made.

(j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated behavioral health service delivery method described at Federal Register, volume 81, page 80230, which includes a formal collaborative arrangement among a primary care team consisting of a primary care provider, a care manager, and a psychiatric consultant, and includes but is not limited to the following elements:

(1) care directed by the primary care team;

(2) structured care management;

(3) regular assessments of clinical status using validated tools; and

(4) modification of treatment as appropriate.

(k) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce, in consultation with the commissioner of health, shall submit a report on compliance and oversight to the chairs and ranking minority members of the legislative committees with jurisdiction over health and commerce. The report must:

(1) describe the commissioner's process for reviewing health plan company compliance with United States Code, title 42, section 18031(j), any federal regulations or guidance relating to compliance and oversight, and compliance with this section and section 62Q.53;

(2) identify any enforcement actions taken by either commissioner during the preceding 12-month period regarding compliance with parity for mental health and substance use disorders benefits under state and federal law, summarizing the results of any market conduct examinations. The summary must include: (i) the number of formal enforcement actions taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(3) detail any corrective action taken by either commissioner to ensure health plan company compliance with this section, section 62Q.53, and United States Code, title 42, section 18031(j); and

(4) describe the information provided by either commissioner to the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law.

The report must be written in nontechnical, readily understandable language and must be made available to the public by, among other means as the commissioners find appropriate, posting the report on department websites. Individually identifiable information must be excluded from the report, consistent with state and federal privacy protections.

(l) A health plan must reimburse all alcoholism, mental health, and chemical dependency services provided by clinical trainees pursuant to section 245I.04, subdivision 6, at a rate at least equal to 100 percent of the rate that would be paid to an independently licensed mental health professional performing the same services. This paragraph does not apply if the service provided by the clinical trainee is not:

(1) within the clinical trainee's scope of practice under section 245I.04, subdivision 7; or

(2) a covered service if performed by an independently licensed mental health professional at the same clinic.

EFFECTIVE DATE. This section is effective January 1, 2027, for health plans offered, issued, sold, or renewed on or after that date.

Sec. 8. Minnesota Statutes 2024, section 62U.04, subdivision 13, is amended to read:

Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The commissioner or the commissioner's designee shall make the data submitted under subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to: (1) individuals and organizations engaged in research on, or efforts to effect transformation in, health care outcomes, access, quality, disparities, or spending, provided the use of the data serves a public benefit; and (2) the commissioner of commerce, subject to the data use requirements under subdivision 11, paragraph (b), to perform health insurance oversight duties.

(b) Data made available under this subdivision may not be used to:

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

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

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

~~(b)~~ (c) To implement ~~paragraph~~ paragraphs (a) and (b), the commissioner shall:

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

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

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

Sec. 9. Minnesota Statutes 2024, section 62W.06, is amended by adding a subdivision to read:

Subd. 4. **Data sharing.** Notwithstanding subdivision 2, paragraph (d), the commissioner must provide the data under subdivision 2, paragraph (a), to the commissioner of health. The commissioner of health must maintain data received under this section in a manner consistent with the data's classification under subdivision 2, paragraph (d).

Sec. 10. Minnesota Statutes 2024, section 270B.14, subdivision 11, is amended to read:

Subd. 11. **Disclosure to commissioner of health.** (a) On the request of the commissioner of health, the commissioner may disclose return information to the extent provided in paragraph (b) and for the purposes provided in paragraph (c).

(b) Data that may be disclosed are limited to the taxpayer's identity, as defined in section 270B.01, subdivision 5.

(c) The commissioner of health may request data only for the purposes of carrying out epidemiologic investigations, which includes conducting occupational health and safety surveillance, and locating and notifying individuals exposed to health hazards as a result of employment. Requests for data by the commissioner of health must be in writing and state the purpose of the request. Data received may be used only for the purposes of section 144.0525.

(d) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of health to the extent provided for and for the purposes described in section 62J.40.

Sec. 11. **DIRECTION TO COMMISSIONER; CHAPTER 62J EVALUATION OF HOME CARE NURSING SERVICES; LEGISLATIVE SOLUTIONS.**

(a) The commissioner of commerce must evaluate 2026 S. F. No. 4502 in accordance with the requirements for an evaluation of a mandated health benefit proposal under Minnesota Statutes, section 62J.26. By January 15, 2027, the commissioner must submit a written report on the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over health insurance policy and finance and health and human services policy and finance. In addition to all analyses, impacts, data, and other information required to be included in the evaluation under Minnesota Statutes, section 62J.26, the commissioner must include an evaluation of the fiscal impacts on the medical assistance program. The fiscal impacts on the medical assistance program must be determined in consultation with the commissioner of human services.

(b) By January 15, 2027, the commissioner of commerce must provide the chairs and ranking minority members of the legislative committees with jurisdiction over health insurance policy and finance and health and human services finance and policy with proposals for legislative action to support the needs of medically complex individuals and their families utilizing home care nursing services. The commissioner must consult with the commissioner of human services to develop the proposals. The proposals must:

(1) consider fiscal impacts on the state, impacted families, and health plan companies;

(2) prioritize affordable health care coverage for the complex medical needs of recipients of home care nursing services; and

(3) include legislative language.

ARTICLE 4
REINSURANCE

Section 1. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance entity to administer the state-based reinsurance program referred to as the Minnesota premium security plan.

(b) The association may apply for any available federal funding for the plan. All funds received by or appropriated to the association shall be deposited in the premium security plan account in section 62E.25, subdivision 1. The association shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services and insurance within ten days of receiving any federal funds.

(c) The association must collect or access data from an eligible health carrier that are necessary to determine reinsurance payments, according to the data requirements under subdivision 5, paragraph (c).

(d) The board must not use any funds allocated to the plan for staff retreats, promotional giveaways, excessive executive compensation, or promotion of federal or state legislative or regulatory changes. This paragraph does not prohibit the association from providing technical assistance or information regarding the association or the Minnesota premium security plan.

(e) For each applicable benefit year, the association must notify eligible health carriers of reinsurance payments to be made for the applicable benefit year no later than June 30 of the year following the applicable benefit year.

(f) On a quarterly basis during the applicable benefit year, the association must provide each eligible health carrier with the calculation of total reinsurance payment requests.

(g) By August 15 ~~of the year following the applicable benefit year~~, 2027, for benefit year 2026, the association must disburse all applicable reinsurance payments to an eligible health carrier. For benefit year 2027, the association must disburse applicable reinsurance payments to an eligible health carrier no later than August 31, 2028.

(h) For benefit year 2027, the commissioner must transfer to the association the total amount of money necessary for the association to pay all applicable reinsurance payments to each eligible health carrier by August 15, 2028.

Sec. 2. Minnesota Statutes 2025 Supplement, section 62E.23, subdivision 1a, is amended to read:

Subd. 1a. **2028 assessment on group health carriers.** (a) An assessment is imposed in calendar year 2028 on group health carriers operating under the Minnesota premium security plan in benefit year 2027. This is a onetime assessment.

(b) By ~~May 1~~ April 15, 2028, the ~~association~~ commissioner must provide each group health carrier with an estimate of the carrier's assessment under paragraph (a).

(c) By ~~June 30~~ July 3, 2028, the association must ~~notify each group health carrier of the carrier's assessment amount under paragraph (a). The association must determine~~ propose each carrier's assessment amount~~, in consultation with~~ to the commissioner~~.~~. Each carrier's proposed assessment amount must be based on the group health carrier's portion of the total premiums for group health plans written in Minnesota for benefit year 2027. The commissioner must approve the carrier's assessment amount by July 20. The ~~association must establish the~~ final assessment amount for each group health plan ~~so~~ must ensure that the aggregate assessment amount collected from group health plans under this subdivision equals the amount necessary for the appropriations and transfers under section 62E.25, subdivision 1. By July 24, 2028, the association must notify each group health carrier of the carrier's proposed assessment amount under paragraph (a).

(d) Subject to paragraph (e), each group health carrier must pay the assessment under paragraph (a) to the ~~association~~ commissioner by August ~~1~~ 7, 2028. The commissioner must deposit assessment payments received under this paragraph in the premium security plan account under section 62E.25. A group health plan must pay the assessment in the manner determined by the commissioner.

(e) A group health carrier may apply to the commissioner to defer all or part of the assessment imposed under paragraph (a). The application must be submitted to the commissioner by May ~~15~~ 1, 2028. The commissioner may defer all or part of the assessment if the commissioner determines the payment of the assessment places the group health carrier in a financially impaired condition. The commissioner may deny an application for deferral under this paragraph. No later than June ~~15~~ 1, 2028, the commissioner must notify the association and the group health carrier whether the assessment deferral is approved or denied. If the commissioner approves the deferral request, the notice must include the amount of and due date for the deferred portion of the assessment. If all or part of the assessment is deferred, the association must include the amount deferred in the other group health carriers' assessments in a proportionate manner consistent with this subdivision. ~~The~~ A group health carrier that receives a deferral is liable to the ~~association~~ commissioner for the amount deferred and is prohibited from receiving or becoming entitled to a reinsurance payment under the Minnesota premium security plan until the group health carrier has paid the deferred assessment.

(f) If the association ~~determines~~ and commissioner determine the assessment imposed under paragraph (a) exceeds or is less than the amount necessary to operate and administer the Minnesota premium security plan and issue reinsurance payments, the ~~association~~ commissioner must require group health carriers to pay an additional amount ~~or~~ to the ~~association~~ premium security plan account created under section 62E.25 or the commissioner must issue a refund to the group health carriers out of the premium security plan account. The association and commissioner must determine the accuracy of the assessment by ~~May 30~~ March 15, 2029.

~~(g) By August 15, 2028, the association must remit the assessments collected under this subdivision to the commissioner for deposit in the premium security plan account created under section 62E.25.~~

Sec. 3. Minnesota Statutes 2025 Supplement, section 62E.23, subdivision 2, is amended to read:

Subd. 2. **Payment parameters.** (a) The board must design and adjust the payment parameters to ensure the payment parameters:

(1) will stabilize or reduce premium rates in the individual market;

(2) will increase participation in the individual market;

(3) will improve access to health care providers and services for those in the individual market;

(4) mitigate the impact high-risk individuals have on premium rates in the individual market;

(5) take into account any federal funding available for the plan;

(6) for benefit year 2027, take into account the assessment under subdivision 1a;

(7) ensure the premium security plan account created under section 62E.25, subdivision 1, has sufficient money to ensure MNsure's stable operation after taking into account the Minnesota premium security plan's effect on MNsure's funding; and

(8) take into account the total amount available to fund the plan.

(b) The attachment point for the plan is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits in a benefit year, beyond which the claims costs for benefits are eligible for reinsurance payments. The attachment point shall be set by the board at $50,000 or more, but not exceeding the reinsurance cap.

(c) The coinsurance rate for the plan is the rate at which the association will reimburse an eligible health carrier for claims incurred for an enrolled individual's covered benefits in a benefit year above the attachment point and below the reinsurance cap. The coinsurance rate shall be set by the board at a rate between 50 and 80 percent.

(d) The reinsurance cap is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits, after which the claims costs for benefits are no longer eligible for reinsurance payments. The reinsurance cap shall be set by the board at $250,000 or less.

(e) The board may adjust the payment parameters to the extent necessary to secure federal approval of the state innovation waiver request in Laws 2017, chapter 13, article 1, section 8.

(f) For purposes of paragraph (a), clause (7), the ~~association~~ commissioner must consult with the commissioner of management and budget and the board of directors of MNsure to determine the amount of funding necessary to ensure MNsure's stable operation.

Sec. 4. Minnesota Statutes 2025 Supplement, section 297I.20, subdivision 7, as amended by Laws 2026, chapter 88, article 1, section 179, is amended to read:

Subd. 7. **Reinsurance credit.** Beginning with taxable years after December 31, 2028, a taxpayer may claim a credit against the premiums tax imposed under this chapter equal to the amount of the assessment paid by the taxpayer under section 62E.23 in the immediately preceding calendar year. If the amount of the credit exceeds the liability for tax under this chapter, the commissioner must refund the excess to the ~~insurance company~~ taxpayer. An amount sufficient to pay the refunds under this subdivision is appropriated to the commissioner from the general fund. The credit under this subdivision does not affect the calculation of fire state aid under section 477B.03 and police state aid under section 477C.03. The commissioner of commerce must annually provide to the commissioner a list of assessments paid by taxpayers under section 62E.23 by March 1 of the calendar year following the assessment.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2028.

ARTICLE 5
PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL

Section 1. Minnesota Statutes 2024, section 62J.89, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a financial or personal association that has the potential to bias or have the appearance of biasing a person's decisions in matters related to the board~~, the advisory council,~~ or in the conduct of the board's ~~or council's~~ activities. A conflict of interest includes any instance in which a person, a person's immediate family member, including a spouse, parent, child, or other legal dependent, or an in-law of any of the preceding individuals, has received or could receive a direct or indirect financial benefit of any amount deriving from the result or findings of a decision or determination of the board. For purposes of this section, a financial benefit includes honoraria, fees, stock, the value of the member's, immediate family member's, or in-law's stock holdings, and any direct financial benefit deriving from the finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered by an independent trustee.

Sec. 2. Minnesota Statutes 2024, section 62J.89, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Prior to the acceptance of an appointment or employment, or prior to entering into a contractual agreement, a board ~~or advisory council~~ member, board staff member, or third-party contractor must disclose to the appointing authority or the board any conflicts of interest. The information disclosed must include the type, nature, and magnitude of the interests involved.

(b) A board member, board staff member, or third-party contractor with a conflict of interest with regard to any prescription drug product under review must recuse themselves from any discussion, review, decision, or determination made by the board relating to the prescription drug product.

(c) Any conflict of interest must be disclosed in advance of the first meeting after the conflict is identified or within five days after the conflict is identified, whichever is earlier.

Sec. 3. Minnesota Statutes 2024, section 62J.90, subdivision 2, is amended to read:

Subd. 2. **Identification of certain prescription drug products.** (a) The board~~, in consultation with the advisory council, shall~~ must identify selected prescription drug products based on the following criteria:

(1) brand name drugs or biologics for which the WAC increases by more than 15 percent or by more than $3,000 during any 12-month period or course of treatment if less than 12 months, after adjusting for changes in the consumer price index (CPI);

(2) brand name drugs or biologics with a WAC of $60,000 or more per calendar year or per course of treatment;

(3) biosimilar drugs that have a WAC that is not at least 20 percent lower than the referenced brand name biologic at the time the biosimilar is introduced; and

(4) generic drugs for which the WAC:

(i) is $100 or more, after adjusting for changes in the CPI, for:

(A) a 30-day supply;

(B) a course of treatment lasting less than 30 days; or

(C) one unit of the drug, if the labeling approved by the Food and Drug Administration does not recommend a finite dosage; and

(ii) increased by 200 percent or more during the immediate preceding 12-month period, as determined by the difference between the resulting WAC and the average WAC reported over the preceding 12 months, after adjusting for changes in the CPI.

The board is not required to identify all prescription drug products that meet the criteria in this paragraph.

(b) The board, in consultation with ~~the advisory council and~~ the commissioner of health, may identify prescription drug products not described in paragraph (a) that may impose costs that create significant affordability challenges for the state health care system or for patients, including but not limited to drugs to address public health emergencies.

(c) The board shall make available to the public the names and related price information of the prescription drug products identified under this subdivision, with the exception of information determined by the board to be proprietary under the standards developed by the board under section 62J.91, subdivision 3, and information provided by the commissioner of health classified as not public data under section 13.02, subdivision 8a, or as trade secret information under section 13.37, subdivision 1, paragraph (b), or as trade secret information under the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended.

Sec. 4. **REPEALER.**

Minnesota Statutes 2024, sections 62J.86, subdivision 2; and 62J.88, are repealed.

ARTICLE 6
UNCLAIMED PROPERTY

Section 1. Minnesota Statutes 2024, section 345.31, is amended by adding a subdivision to read:

Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value used as a medium of exchange, unit of account, or store of value that does not have legal tender status recognized by the United States. Virtual currency does not include:

(1) software or protocols governing the transfer of the digital representation of value;

(2) game-related digital content; or

(3) a loyalty card or gift card.

Sec. 2. **[345.382] FUNDS HELD FOR THE PREPAYMENT OF FUNERAL-RELATED EXPENSES.**

Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related expenses are presumed abandoned at the earliest of:

(1) three years after the date of death of the beneficiary;

(2) one year after the date the beneficiary has attained, or would have attained if living, the age of 105, if the holder does not know whether the beneficiary is deceased; or

(3) 30 years after the contract for prepayment was executed.

Sec. 3. **[345.383] EXEMPTION FOR CERTAIN PROPERTY HELD IN TAX-DEFERRED ACCOUNTS.**

Property held in a plan described in section 529 or 529A of the Internal Revenue Code, as amended, are exempt from the requirements of sections 345.31 to 345.60.

Sec. 4. **[345.384] VIRTUAL CURRENCY.**

(a) Virtual currency is presumed abandoned three years after the apparent owner's latest indication of interest in the virtual currency.

(b) For purposes of this section, an indication of an apparent owner's interest in virtual currency includes:

(1) a record communicated by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held;

(2) an oral communication by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held, if the holder or the holder's agent contemporaneously makes and preserves a record of the fact of the apparent owner's communication;

(3) a distribution, or evidence of receipt of a distribution made by electronic or similar means; or

(4) activity directed by an apparent owner in the account in which the property is held, including accessing the account or information concerning the account, or a direction by the apparent owner to increase, decrease, or otherwise change the amount or type of virtual currency held in the account.

(c) An action by an agent or other representative of an apparent owner, other than the holder acting as the apparent owner's agent, is presumed to be an action on behalf of the apparent owner.

(d) A communication with an apparent owner by a person other than the holder or the holder's representative is not an indication of interest in the property by the apparent owner unless a record of the communication evidences the apparent owner's knowledge of a right to the property.

Sec. 5. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to read:

Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual currency, the holder must liquidate the virtual currency and remit the proceeds to the commissioner.

(b) The liquidation must occur anytime within 30 days before filing the report under section 345.41. The owner does not have recourse against the holder or the commissioner to recover any gain in value that occurs after the liquidation of the virtual currency under this subdivision.

(c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual currency to be liquidated, the holder must promptly notify the commissioner in writing and explain the reasons why the virtual currency cannot be liquidated. The commissioner has absolute and sole discretion to direct the holder to:

(1) transfer the virtual currency that cannot be liquidated to a custodian selected by the commissioner; or

(2) continue to hold the virtual currency until the commissioner or the holder determines that the virtual currency can be liquidated pursuant to this chapter.

ARTICLE 7
TECHNICAL AND MISCELLANEOUS CHANGES

Section 1. Minnesota Statutes 2025 Supplement, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D4806-21a~~ D4806; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 2. Minnesota Statutes 2024, section 46.044, subdivision 1, is amended to read:

Subdivision 1. **Issuance and conditions.** An application for a bank charter must be granted if (1) the applicants are of good moral character and financial integrity, (2) there is a reasonable public demand for this bank in this location, (3) the probable volume of business in this location is sufficient to ~~insure~~ ensure and maintain the solvency of the new bank and the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, (4) the commissioner of commerce is satisfied that the proposed bank will be properly and safely managed, and (5) the commissioner is satisfied that the capital funds required pursuant to section 48.02 are available and the commissioner may accept any reasonable demonstration including subscription agreements supported by current financial statements. If the application does not satisfy the requirements of this subdivision, it must be denied. In case of the denial of the application, the commissioner of commerce shall specify the grounds for the denial. A person aggrieved may obtain judicial review of the determination in accordance with chapter 14.

Sec. 3. Minnesota Statutes 2024, section 48.195, is amended to read:

48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.

Notwithstanding any law to the contrary, a bank, savings bank, savings association, or credit union organized under the laws of this state, or a national bank or federally chartered savings bank, savings association, or credit union, doing business in this state, may charge on any loan or discount made or upon any note, bill or other evidence of debt, except an extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2 percent in excess of the discount rate, including any surcharge thereon, on 90-day commercial paper in effect at the Board of Governors of the Federal Reserve ~~Bank located in the Ninth Federal Reserve District~~ System.

Sec. 4. Minnesota Statutes 2024, section 49.37, is amended to read:

49.37 STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION OR MERGER.

(a) Either before or after the consolidation or merger agreement has been approved by the commissioner of commerce, it must be submitted to the stockholders of each corporation at a meeting thereof called, and it does not become binding upon the corporation until it has been approved at each of the meetings required by this section by the vote or ballot of the stockholders, holding at least a majority of the amount of stock of the respective corporations, or a higher percentage as may be required by the certificate of incorporation of the corporations. Proof of the holding of these meetings and the results thereof must be submitted to the commissioner of commerce.

(b) After the agreement called for by sections 49.33 to 49.41 has been approved by the stockholders of the respective corporations and by the commissioner of commerce, the ~~latter shall~~ commissioner of commerce must issue a certificate reciting that the corporations have complied with the provisions of sections 49.34 to 49.41 and declaring the consolidation or merger of these corporations and the name of the consolidated or surviving corporation, the amount of capital stock thereof, the names of the first board of directors, and the place of business of the consolidated or surviving corporation, which must be within the city where any of the constituent corporations have been previously authorized to have their places of business.

(c) Upon the issuing of this certificate ~~and the filing of it for record in the Office of the Secretary of State~~, the incorporation is deemed to be complete in the case of the consolidation, and the assets of the constituent corporations merged into the survivor in the case of a merger, and the consolidated or surviving corporation shall, from the date of this certificate, have the term of corporate existence as may be specified in it, not exceeding the longest unexpired term of any constituent corporation. The certificate of the commissioner of commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have been complied with, and is conclusive evidence of the existence of the consolidated or surviving corporation.

Sec. 5. Minnesota Statutes 2024, section 58B.051, is amended to read:

58B.051 REGISTRATION FOR LENDERS.

(a) Beginning January 1, 2025, a lender must register with the commissioner as a lender before providing services in Minnesota. A lender must not offer or make a student loan to a resident of Minnesota without first registering with the commissioner as provided in this section.

(b) A registration application must include:

(1) the lender's name;

(2) the lender's address;

(3) the names of all officers, directors, owners, or other persons in control of an applicant, as defined in section 58B.02, subdivision 6; and

(4) any other information the commissioner requires ~~by rule~~.

(c) Registration issued or renewed expires December 31 of each year. A lender must renew the lender's registration on an annual basis.

(d) The commissioner may adopt and enforce:

(1) registration procedures for lenders, which may include using the Nationwide Multistate Licensing System and Registry;

(2) nonrefundable registration fees for lenders, which may include fees for using the Nationwide Multistate Licensing System and Registry, to be paid directly by the lender;

(3) procedures and nonrefundable fees to renew a lender's registration, which may include fees for the renewed use of Nationwide Multistate Licensing System and Registry, to be paid directly by the lender; and

(4) alternate registration procedures and nonrefundable fees for postsecondary education institutions that offer student loans.

Sec. 6. Minnesota Statutes 2024, section 60A.13, subdivision 1, is amended to read:

Subdivision 1. **Annual statements required.** Every insurance company, including fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall file with the commissioner~~, annually, on or before March 1,~~ the appropriate verified National Association of Insurance Commissioners' annual statement blank~~,~~ on or before April 30 for all lines of insurance except health, which must be filed on or before May 31. The National Association of Insurance Commissioners' annual statement blank must be prepared in accordance with the association's instructions handbook and following those accounting procedures and practices prescribed by the association's accounting practices and procedures manual, unless the commissioner requires or finds another method of valuation reasonable under the circumstances. Another method of valuation permitted by the commissioner must be at least as conservative as those prescribed in the association's manual. All companies required to file an annual statement under this subdivision may also be required to file with the commissioner and the National Association of Insurance Commissioners a copy of their annual statement in an electronic form prescribed by the commissioner. All Minnesota domestic insurers required to file annual statements under this subdivision must also file quarterly statements with the commissioner for the first, second, and third calendar quarter on or before 45 days after the end of the applicable quarter, prepared in accordance with the association's instruction handbook. All companies required to file quarterly statements under this subdivision may also be required to file the quarterly statements with the commissioner and the National Association of Insurance Commissioners in an electronic form prescribed by the commissioner. In addition, the commissioner may require the filing of any other information determined to be reasonably necessary for the continual enforcement of these laws. The statement may be limited to the insurer's business and condition in the United States unless the commissioner finds that the business conducted outside the United States may detrimentally affect the interests of policyholders in this state. The statements shall also contain a verified schedule showing all details required by law for assessment and taxation. The statement or schedules shall be in the form and shall contain all matters the commissioner may prescribe, and it may be varied as to different types of insurers so as to elicit a true exhibit of the condition of each insurer.

Sec. 7. Minnesota Statutes 2024, section 60A.13, subdivision 6, is amended to read:

Subd. 6. **Company or agent cannot continue business unless statement is filed.** ~~No~~ A company ~~shall transact~~ is prohibited from transacting any new business in this state after ~~May~~ August 31 in any year unless ~~it shall have~~ the company previously transmitted its annual statement to the commissioner and filed a copy of its statement with the National Association of Insurance Commissioners. The commissioner may by order annually require that each insurer pay the required fee to the National Association of Insurance Commissioners for the filing of annual statements, but the fee shall not be more than 50 percent greater than the fee set by the National Association of Insurance Commissioners. Failure to file the annual statement with the commissioner or the National Association of Insurance Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on the relative premium volume of each insurer.

Sec. 8. Minnesota Statutes 2024, section 72A.061, subdivision 5, is amended to read:

Subd. 5. **Extensions.** The commissioner may grant an extension of any filing deadline or requirement specified by this section~~, on receiving, not less than ten days~~ if the commissioner receives a written request for an extension from the company before the date of default~~, satisfactory evidence of imminent hardship to the company~~.

Sec. 9. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-24a~~ D4814. Gasoline that is not blended with biofuel must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;

(2) shall not blend the gasoline with any oxygenate other than biofuel;

(3) shall not blend the gasoline with other petroleum products that are not gasoline or biofuel;

(4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 10. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090;

(2) comply with ASTM specification ~~D4814-24a~~ D4814, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-24a~~ D4814; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 11. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 5, is amended to read:

Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 12. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 6, is amended to read:

Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-24a~~ D4814. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 7, is amended to read:

Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification ~~D396-12~~ D396.

Sec. 14. Minnesota Statutes 2024, section 239.761, subdivision 8, is amended to read:

Subd. 8. **Diesel fuel oil.** (a) When diesel fuel oil is not blended with biodiesel, it must comply with ASTM specification ~~D975-12a~~ D975.

(b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel component must comply with ASTM specification ~~D975-12a~~ D975 and the biodiesel component must comply with ASTM specification ~~D6751-11b~~ D6751.

Sec. 15. Minnesota Statutes 2024, section 239.761, subdivision 9, is amended to read:

Subd. 9. **Kerosene.** Kerosene must comply with ASTM specification ~~D3699-08~~ D3699.

Sec. 16. Minnesota Statutes 2024, section 239.761, subdivision 10, is amended to read:

Subd. 10. **Aviation gasoline.** Aviation gasoline must comply with ASTM specification ~~D910-11~~ D910.

Sec. 17. Minnesota Statutes 2024, section 239.761, subdivision 11, is amended to read:

Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must comply with ASTM specification ~~D1655-12~~ D1655.

Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 12, is amended to read:

Subd. 12. **Gas turbine fuel oil.** Fuel oil for use in nonaviation gas turbine engines must comply with ASTM specification ~~D2880-03~~ D2880.

Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 13, is amended to read:

Subd. 13. **E85.** A blend of ethanol and gasoline, containing not more than 85 percent ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification ~~D5798-11~~ D5798.

Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 14, is amended to read:

Subd. 14. **M85.** A blend of methanol and gasoline, containing at least 70 percent methanol and not more than 85 percent methanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification ~~D5797-07~~ D5797.

Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 16, is amended to read:

Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials (ASTM) specification ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

Sec. 22. Minnesota Statutes 2024, section 239.761, subdivision 17, is amended to read:

Subd. 17. **Grade 82 unleaded aviation gasoline.** Grade 82 unleaded aviation gasoline must comply with ASTM specification ~~D6227-12~~ D6227.

Sec. 23. Minnesota Statutes 2024, section 239.77, subdivision 1, is amended to read:

Subdivision 1. **Biodiesel blend and fuel.** (a) "Biodiesel blend" is a blend of diesel fuel and biodiesel fuel between six percent and 20 percent for on-road and off-road diesel-fueled vehicle use. Biodiesel blend must comply with ASTM specification ~~D7467-10~~ D7467.

(b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets American Society for Testing and Materials specification ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

(c) Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section, unless the palm oil is contained within waste oil and grease collected within the United States or Canada.

Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 7, is amended to read:

Subd. 7. **Aviation gasoline.** "Aviation gasoline" means any gasoline that is used to produce or generate power for propelling internal combustion engine aircraft.

Aviation gasoline includes any gasoline:

(1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation gasoline" that meets specifications in ASTM specification ~~D910-16~~ D910 or any other ASTM specification as gasoline appropriate for use in producing or generating power for propelling internal combustion engine aircraft; or

(2) sold to a dealer of aviation gasoline for dispensing directly into the fuel tank of an aircraft.

Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 8, is amended to read:

Subd. 8. **Aviation turbine fuel and jet fuel.** "Aviation turbine fuel" and "jet fuel" mean blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications in ASTM specification ~~D1655-12~~ D1655.

Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 14, is amended to read:

Subd. 14. **Diesel fuel oil.** "Diesel fuel oil" means a petroleum distillate or blend of petroleum distillate and residual fuels that is intended for use as a motor fuel in internal combustion diesel engines and that meets ASTM specification ~~D975-11b~~ D975.

Sec. 27. Minnesota Statutes 2024, section 296A.01, subdivision 19, is amended to read:

Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline that contains not more than 85 percent ethanol by volume, but at a minimum must contain greater than 50 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in subdivision 5 must comply with ASTM specification ~~D5798-11~~ D5798.

Sec. 28. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 29. Minnesota Statutes 2024, section 296A.01, subdivision 22, is amended to read:

Subd. 22. **Gas turbine fuel oil.** "Gas turbine fuel oil" means fuel that contains mixtures of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign matter, intended for use in nonaviation gas turbine engines, and that meets the specifications in ASTM specification ~~D2880-03~~ D2880.

Sec. 30. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **Gasoline.** (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-24a~~ D4814.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-24a~~ D4814 and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 31. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-24a~~ D4814. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 32. Minnesota Statutes 2024, section 296A.01, subdivision 26, is amended to read:

Subd. 26. **Heating fuel oil.** "Heating fuel oil" means a petroleum distillate, blend of petroleum distillates and residuals, or petroleum residual heating fuel that meets the specifications in ASTM specification ~~D396-12~~ D396.

Sec. 33. Minnesota Statutes 2024, section 296A.01, subdivision 28, is amended to read:

Subd. 28. **Kerosene.** "Kerosene" means a refined petroleum distillate consisting of a homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic compounds, and excessive amounts of particulate contaminants and that meets the specifications in ASTM specification ~~D3699-08~~ D3699.

Sec. 34. Minnesota Statutes 2024, section 296A.01, subdivision 35, is amended to read:

Subd. 35. **M85.** "M85" means a petroleum product that is a liquid fuel blend of methanol and gasoline that contains at least 70 percent methanol and not more than 85 percent methanol by volume. For the purposes of this chapter, the energy content of M85 will be considered to be 65,000 BTUs per gallon. M85 produced for use as a motor fuel in alternative fuel vehicles, as defined in subdivision 5, must comply with ASTM specification ~~D5797-07~~ D5797.

Sec. 35. Minnesota Statutes 2024, section 349.211, subdivision 2b, is amended to read:

Subd. 2b. **Paddlewheel prizes.** (a) The maximum cash prize ~~which~~ that may be awarded for a paddle ticket is $70. The maximum value of a merchandise prize that may be awarded for a paddle ticket must not exceed a fair market value of $200. An organization may not sell any paddle ticket for more than ~~$2~~ $5.

(b) "Merchandise prize" does not include gift cards that can be redeemed for cash.

Sec. 36. Minnesota Statutes 2024, section 609.761, subdivision 3, is amended to read:

Subd. 3. **Social skill game.** Sections 609.755 and 609.76 do not prohibit tournaments or contests that satisfy all of the following requirements:

(1) the tournament or contest consists of the card games of chance commonly known as cribbage, skat, sheepshead, bridge, euchre, hasenpfeffer, pinochle, gin, 500, smear, Texas hold'em, or whist;

(2) the tournament or contest does not provide any direct financial benefit to the promoter or organizer;

(3) the value of all prizes awarded for each tournament or contest does not exceed $200; and

(4) for a tournament or contest involving Texas hold'em:

(i) no person under 18 years of age may participate;

(ii) the payment of an entry fee or other consideration for participating is prohibited;

(iii) the value of all prizes awarded to an individual winner of a tournament or contest at a single location may not exceed $200 each day; and

(iv) the organizer or promoter must ensure that reasonable accommodations are made for players with disabilities. Accommodations to the table and the cards shall include the announcement of the cards visible to the entire table and the use of Braille cards for players who are blind.

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

Sec. 37. **REPEALER.**

Minnesota Statutes 2024, section 48.158, is repealed."

Delete the title and insert:

"A bill for an act relating to commerce; adding and modifying various provisions governing consumer protection, financial institutions, securities, insurance, unclaimed property, weights and measures, and lawful gambling; modifying the Minnesota premium security plan; eliminating the prescription drug affordability advisory council; making various technical changes; requiring reports; amending Minnesota Statutes 2024, sections 46.044, subdivision 1; 47.20, subdivision 1; 47.59, subdivision 1; 47.60, subdivision 1; 48.195; 49.37; 53.04, subdivision 3a; 53B.74; 53C.09, subdivision 4; 56.002; 56.01; 56.05; 58.06, subdivision 2; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.085; 60A.13, subdivisions 1, 6; 60K.383; 62A.135, subdivision 1; 62A.46, subdivision 2; 62D.08, by adding a subdivision; 62E.23, subdivision 1; 62J.40; 62J.89, subdivisions 1, 2; 62J.90, subdivision 2; 62K.07, subdivision 2; 62M.09, subdivision 3; 62Q.47; 62U.04, subdivision 13; 62W.06, by adding a subdivision; 72A.061, subdivision 5; 72A.13, subdivision 1; 72A.18, subdivision 2, by adding subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80A.50; 80C.12, subdivision 1; 80G.01, subdivision 5a; 239.761, subdivisions 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 239.77, subdivision 1; 256B.0913, subdivision 4; 270B.14, subdivision 11; 296A.01, subdivisions 7, 8, 14, 19, 22, 26, 28, 35; 325E.21, subdivisions 1b, 2c; 332.32; 332.52, subdivision 3; 332A.04, subdivision 1; 332B.04, subdivision 1; 345.31, by adding a subdivision; 345.43, by adding a subdivision; 349.211, subdivision 2b; 609.761, subdivision 3; Minnesota Statutes 2025 Supplement, sections 8.37, subdivisions 3, 5; 41A.09, subdivision 2a; 58B.02, subdivision 8a; 62E.23, subdivisions 1a, 2; 80A.66; 239.761, subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; 297I.20, subdivision 7, as amended; Laws 2026, chapter 72, section 1,

subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 58; 60A; 62A; 62D; 80A; 82B; 82C; 345; proposing coding for new law as Minnesota Statutes, chapters 59E; 65C; repealing Minnesota Statutes 2024, sections 48.158; 56.08; 62J.86, subdivision 2; 62J.88; 332A.02, subdivision 2; 332B.02, subdivision 2."

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

House Conferees: ERIN KOEGEL, STEVE ELKINS, TIM O'DRISCOLL and BERNIE PERRYMAN.

Senate Conferees: MATT KLEIN, NICK FRENTZ, JUDY SEEBERGER and ZACH DUCHWORTH.

Koegel moved that the report of the Conference Committee on H. F. No. 4188 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 4188, A bill for an act relating to commerce; adding and modifying various provisions governing consumer protection, financial institutions, securities, insurance, unclaimed property, weights and measures, and lawful gambling; modifying the Minnesota premium security plan; eliminating the prescription drug affordability advisory council; making various technical changes; requiring reports; amending Minnesota Statutes 2024, sections 46.044, subdivision 1; 47.20, subdivision 1; 47.59, subdivision 1; 47.60, subdivision 1; 48.195; 49.37; 53.04, subdivision 3a; 53B.74; 53C.09, subdivision 4; 56.002; 56.01; 56.05; 58.06, subdivision 2; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.085; 60A.13, subdivisions 1, 6; 60K.383; 62A.135, subdivision 1; 62A.46, subdivision 2; 62D.08, by adding a subdivision; 62E.23, subdivision 1; 62J.40; 62J.89, subdivisions 1, 2; 62J.90, subdivision 2; 62K.07, subdivision 2; 62M.09, subdivision 3; 62Q.47; 62U.04, subdivision 13; 62W.06, by adding a subdivision; 72A.061, subdivision 5; 72A.13, subdivision 1; 72A.18, subdivision 2, by adding subdivisions; 72A.20, subdivision 2, by adding a subdivision; 80A.50; 80C.12, subdivision 1; 80G.01, subdivision 5a; 239.761, subdivisions 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 239.77, subdivision 1; 256B.0913, subdivision 4; 270B.14, subdivision 11; 296A.01, subdivisions 7, 8, 14, 19, 22, 26, 28, 35; 325E.21, subdivisions 1b, 2c; 332.32; 332.52, subdivision 3; 332A.04, subdivision 1; 332B.04, subdivision 1; 345.31, by adding a subdivision; 345.43, by adding a subdivision; 349.211, subdivision 2b; 609.761, subdivision 3; Minnesota Statutes 2025 Supplement, sections 8.37, subdivisions 3, 5; 41A.09, subdivision 2a; 58B.02, subdivision 8a; 62E.23, subdivisions 1a, 2; 80A.66; 239.761, subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; 297I.20, subdivision 7, as amended; Laws 2026, chapter 72, section 1, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 58; 60A; 62A; 62D; 80A; 82B; 82C; 345; proposing coding for new law as Minnesota Statutes, chapters 59E; 65C; repealing Minnesota Statutes 2024, sections 48.158; 56.08; 62J.86, subdivision 2; 62J.88; 332A.02, subdivision 2; 332B.02, subdivision 2

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Acomb	Bahner	Carroll	Dotseth	Franson	Greene
Agbaje	Bakeberg	Cha	Duran	Frazier	Greenman
Allen	Baker	Clardy	Elkins	Freiberg	Hansen, R.
Altendorf	Berg	Coulter	Falconer	Gander	Hanson, J.
Anderson, P. E.	Bliss	Curran	Feist	Gillman	Harder
Anderson, P. H.	Buck	Davids	Finke	Gomez	Heintzeman
Backer	Burkel	Dippel	Fischer	Gottfried	Hill

Hollins	Koegel	Mahamoud	O'Driscoll	Schultz	Virnig
Howard	Kotyza-Witthuhn	McDonald	Olson	Schwartz	Warwas
Hudson	Kozlowski	Mekeland	Pérez-Vega	Scott	West
Huot	Koznick	Moller	Perryman	Sencer-Mura	Witte
Hussein	Kraft	Momanyi-Hiltsley	Pinto	Sexton	Wolgamott
Igo	Kresha	Mueller	Pursell	Skraba	Xiong
Jacob	Lawrence	Myers	Quam	Smith	Youakim
Johnson, P.	Lee, F.	Nadeau	Rarick	Stephenson	Zeleznikar
Johnson, W.	Lee, K.	Nash	Rehm	Stier	Spk. Demuth
Jones	Lee, X.	Nelson	Rehrauer	Swedzinski	
Jordan	Liebling	Niska	Repinski	Tabke	
Joy	Lillie	Noor	Robbins	Torkelson	
Klevorn	Long	Norris	Rymer	Van Binsbergen	
Knudsen	Luger-Nikolai	Novotny	Schomacker	Vang	

Those who voted in the negative were:

Bennett	Engen	Gordon	Murphy	Wiener
Bierman	Fogelman	Hicks	Reyer	
Davis	Frederick	Keeler	Roach	

The bill was repassed, as amended by Conference, and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Niska and Long for the Committee on Rules and Legislative Administration offered the following resolution and moved its adoption:

Be It Resolved, by the Committee on Rules and Legislative Administration, that pursuant to rule 1.21, the Committee on Rules and Legislative Administration specified Saturday, May 16, 2026, as the date after which the 5:00 p.m. deadline no longer applies to the designation of bills to be placed on the Calendar for the Day.

The motion prevailed and the resolution was adopted.

MOTIONS AND RESOLUTIONS

Clardy moved that the name of Torkelson be added as chief author on H. F. No. 744. The motion prevailed.

Norris moved that the name of Myers be added as an author on H. F. No. 2354. The motion prevailed.

Norris moved that the name of Vang be added as chief author on H. F. No. 2627. The motion prevailed.

Jordan moved that the name of Zeleznikar be added as an author on H. F. No. 3426. The motion prevailed.

Rehm moved that the name of Tabke be shown as chief author on H. F. No. 4062. The motion prevailed.

Igo moved that the name of Johnson, P., be added as an author on H. F. No. 4703. The motion prevailed.

Torkelson moved that the name of Noor be added as an author on H. F. No. 4808. The motion prevailed.

Luger-Nikolai moved that the name of Pursell be added as an author on H. F. No. 4973. The motion prevailed.

Gillman moved that the name of Fischer be added as an author on H. F. No. 5116. The motion prevailed.

TAKEN FROM THE TABLE

Niska moved that H. F. No. 2438, which was laid on the table pursuant to Joint Rule 3.02(a), be taken from the table, that the Speaker appoint a Conference Committee of 4 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2438:

Davids, Joy, Gomez and Agbaje.

MOTION FOR CALENDAR FOR THE DAY

Pursuant to House Rule 1.21 and the notice given on Tuesday, May 12, 2026, Dippel moved that H. F. No. 3785 be placed on and be considered first on the Calendar for the Day for Sunday, May 17, 2026.

A roll call was requested and properly seconded.

The question was taken on the Dippel motion and the roll was called. There were 65 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Allen	Davis	Heintzeman	Mekeland	Quam	Skraba
Altendorf	Dippel	Hudson	Mueller	Rarick	Swedzinski
Anderson, P. E.	Dotseth	Igo	Murphy	Repinski	Torkelson
Anderson, P. H.	Duran	Jacob	Myers	Roach	Van Binsbergen
Backer	Engen	Johnson, W.	Nadeau	Robbins	Warwas
Bakeberg	Fogelman	Joy	Nash	Rymer	West
Baker	Franson	Knudsen	Nelson	Schomacker	Wiener
Bennett	Gander	Koznick	Niska	Schultz	Witte
Bliss	Gillman	Kresha	Novotny	Schwartz	Zeleznikar
Burkel	Gordon	Lawrence	Olson	Scott	Spk. Demuth
Davids	Harder	McDonald	Perryman	Sexton	

Those who voted in the negative were:

Acomb	Falconer	Hanson, J.	Koegel	Moller	Stephenson
Agbaje	Feist	Hicks	Kotyza-Witthuhn	Momanyi-Hiltsley	Stier
Bahner	Finke	Hill	Kozlowski	Noor	Tabke
Berg	Fischer	Hollins	Kraft	Norris	Vang
Bierman	Frazier	Howard	Lee, F.	Pérez-Vega	Virnig
Buck	Frederick	Huot	Lee, K.	Pinto	Wolgamott
Carroll	Freiberg	Hussein	Lee, X.	Pursell	Xiong
Cha	Gomez	Johnson, P.	Liebling	Rehm	Youakim
Clardy	Gottfried	Jones	Lillie	Rehrauer	
Coulter	Greene	Jordan	Long	Reyer	
Curran	Greenman	Keeler	Luger-Nikolai	Sencer-Mura	
Elkins	Hansen, R.	Klevorn	Mahamoud	Smith	

The motion did not prevail.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 3432.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

THOMAS S. BOTTERN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 3432

A bill for an act relating to public safety; requiring removal of identifying equipment and insignia from emergency vehicles sold to the public; providing for security and protective services of certain state officials; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 299D.03, subdivision 1; 299E.01, subdivisions 1, 2, 3, 4, by adding a subdivision; Laws 2025, chapter 35, article 1, sections 2; 4; 5; Laws 2025, chapter 39, article 1, section 2; Laws 2025, First Special Session chapter 8, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 169; 299A; 299E.

May 16, 2026

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 3432 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 3432 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
SECURITY APPROPRIATIONS

Section 1. **JUDICIARY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article and are added to or, if shown in parentheses, are subtracted from the appropriations in Laws

2025, chapter 35, article 1, and Laws 2025, chapter 39, article 1. 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. **SUPREME COURT**	**$-0-**	**$6,062,000**

(a) **Security for Judicial Officials**

$64,000 the second year is for security for judicial officials. The base for this appropriation is $35,000 beginning in fiscal year 2028.

(b) **Judicial Security Unit**

$312,000 the second year is for additional security personnel.

(c) **Security Threat Response**

$1,686,000 the second year is for response to threats to the security and stability of the judiciary. The chief justice is authorized to transfer funds to the court of appeals and the district courts for this purpose. The base for this appropriation is $305,000 beginning in fiscal year 2028.

(d) **Safe and Secure Courthouse Initiative**

$4,000,000 the second year is for a competitive grant program for courthouse safety and security improvements. Grants may be awarded to governmental entities to fund courthouse security assessments, equipment, technology, construction, or training needs. Grant recipients must provide a 50 percent nonstate match. This is a onetime appropriation and is available until June 30, 2029.

Sec. 3. **COURT OF APPEALS**	**$-0-**	**$60,000**

Safety and Security

$60,000 the second year is to implement safety and security measures. The base for this appropriation is $33,000 beginning in fiscal year 2028.

Sec. 4. **DISTRICT COURTS** **$-0-** **$843,000**

Safety and Security

$843,000 the second year is to implement safety and security measures. The base for this appropriation is $467,000 beginning in fiscal year 2028.

Sec. 5. Laws 2025, chapter 35, article 1, section 2, is amended to read:

Sec. 2. **SUPREME COURT** **$54,597,000** **$50,597,000**

(a) **Contingent Account**

$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.

(b) **Justice Partner Access**

$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.

(c) **Base Adjustment**

The general fund base shall be ~~$50,821,000~~ $51,636,000 beginning in fiscal year 2028.

Sec. 6. Laws 2025, chapter 35, article 1, section 4, is amended to read:

Sec. 4. **COURT OF APPEALS** **$15,624,000** **$15,624,000**

Base Adjustment

The general fund base shall be ~~$15,794,000~~ $15,871,000 beginning in fiscal year 2028.

Sec. 7. Laws 2025, chapter 35, article 1, section 5, is amended to read:

Sec. 5. **DISTRICT COURTS** **$396,395,000** **$396,396,000**

(a) **Forensic Examiner Rate Increase**

$2,685,000 each year is to increase the hourly rate paid to forensic examiners.

(b) **Base Adjustment**

The general fund base shall be ~~$403,810,000~~ $402,918,000 beginning in fiscal year 2028.

Sec. 8. Laws 2025, chapter 39, article 1, section 2, is amended to read:

Sec. 2. **LEGISLATURE**

Subdivision 1. **Total Appropriation**	~~**$112,970,000**~~ **115,077,000**	~~**$114,534,000**~~ **115,975,000**

The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation is ~~$112,818,000~~ $114,568,000 in fiscal year 2028 and $114,598,000 in fiscal year 2029 and each fiscal year thereafter.

Subd. 2. **Senate**	~~38,238,000~~ 39,407,000	~~39,690,000~~ 40,689,000

The base for this appropriation is $40,729,000 in fiscal year 2028 and $40,759,000 in fiscal year 2029 and each fiscal year thereafter.

Subd. 3. **House of Representatives**	~~42,375,000~~ 43,313,000	~~41,163,000~~ 41,605,000

The base for this appropriation is ~~$39,437,000~~ $40,148,000 in fiscal year 2028 and $40,148,000 in fiscal year 2029 and each fiscal year thereafter.

Subd. 4. **Legislative Coordinating Commission**	32,357,000	33,681,000

The base for this appropriation is $33,691,000 in fiscal year 2028 and each fiscal year thereafter.

Legislative Auditor. $12,365,000 the first year and $12,857,000 the second year are for the Office of the Legislative Auditor. The base for this appropriation is $12,867,000 in fiscal year 2028 and each fiscal year thereafter.

Revisor of Statutes. $9,094,000 the first year and $9,466,000 the second year are for the Office of the Revisor of Statutes.

Legislative Reference Library. $2,278,000 the first year and $2,369,000 the second year are for the Legislative Reference Library.

Legislative Budget Office. $2,800,000 the first year and $2,965,000 the second year are for the Legislative Budget Office.

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

Sec. 9. Laws 2025, First Special Session chapter 8, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. **State Patrol**

(a) **Patrolling Highways**	147,013,000	148,960,000

Appropriations by Fund

	2026	2027
General	37,000	37,000
H.U.T.D.	92,000	92,000
Trunk Highway	146,884,000	148,831,000

$1,045,000 in each year is from the trunk highway fund for recruitment and hiring initiatives. Of the base from the trunk highway fund, $10,365,000 in each of fiscal years 2028 and 2029 is for this purpose, which includes funding to conduct an additional annual trooper academy.

The base from the trunk highway fund is $158,151,000 in each of fiscal years 2028 and 2029.

(b) **Commercial Vehicle Enforcement**	18,861,000	18,861,000
(c) **Capitol Security**	~~19,243,000~~ 25,119,000	~~19,243,000~~ 29,142,000

This appropriation is from the general fund.

The base for this appropriation is $25,779,000 in fiscal year 2028 and $24,849,000 in fiscal year 2029.

$2,220,000 in fiscal year 2026 and $5,099,000 in fiscal year 2027 are for staffing, overtime, and equipping costs of additional State Patrol personnel and associated scanning equipment, to perform screening of individuals entering the State Capitol building. The base for this purpose is $3,510,000 in fiscal year 2028 and $2,879,000 in fiscal year 2029.

$4,700,000 in fiscal year 2027 is for security enhancements on the Capitol complex, including but not limited to staffing, equipment, and operations. The base for this purpose is $1,560,000 in fiscal year 2028 and $1,561,000 in fiscal year 2029.

$1,736,000 in fiscal year 2026 is for the legislative services unit under Minnesota Statutes, section 299E.10. The base for this purpose is $1,466,000 in fiscal year 2028 and $1,166,000 in fiscal year 2029.

$100,000 in fiscal year 2027 is for the Security Services Task Force under article 2, section 11. This is a onetime appropriation.

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.

(d) **Vehicle Crimes Unit** 1,290,000 1,303,000

This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

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

Sec. 10. **APPROPRIATIONS; LEGISLATURE; LEGISLATIVE SECURITY SERVICES REIMBURSEMENTS.**

(a) $1,467,000 in fiscal year 2027 is appropriated from the general fund to the senate to make reimbursements under Minnesota Statutes, section 299E.10, subdivision 3, paragraph (g). This is a onetime appropriation.

(b) $2,933,000 in fiscal year 2027 is appropriated from the general fund to the house of representatives to make reimbursements under Minnesota Statutes, section 299E.10, subdivision 3, paragraph (g). This is a onetime appropriation.

Sec. 11. **APPROPRIATIONS; CONSTITUTIONAL OFFICERS; SAFETY AND SECURITY.**

(a) $100,000 in fiscal year 2027 is appropriated from the general fund to the attorney general for the safety and security of the attorney general. This is a onetime appropriation.

(b) $100,000 in fiscal year 2027 is appropriated from the general fund to the secretary of state for the safety and security of the secretary of state. This is a onetime appropriation.

(c) $100,000 in fiscal year 2027 is appropriated from the general fund to the state auditor for the safety and security of the state auditor. This is a onetime appropriation.

Sec. 12. **APPROPRIATION; BUREAU OF CRIMINAL APPREHENSION.**

$1,012,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of public safety for Bureau of Criminal Apprehension staffing and operating costs related to threat assessment and investigation activities, including in coordination with the legislative services unit under Minnesota Statutes, section 299E.10.

Sec. 13. **TRANSFER; DEPARTMENT OF NATURAL RESOURCES.**

Upon request from the commissioner of natural resources, the commissioner of management and budget may transfer up to $1,600,000 in fiscal year 2026 from any Department of Natural Resources fiscal year 2024 or fiscal year 2025 general fund nongrant operating appropriations that were carried forward to fiscal year 2026 to the Division of Enforcement. This transfer may only be used for nonbudgeted public safety costs that occurred in fiscal year 2026. By September 15, 2026, the commissioner of natural resources must report the amount and source of the transfer authorized under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources.

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

ARTICLE 2
CAPITOL SECURITY POLICY

Section 1. Minnesota Statutes 2024, section 13.6905, is amended by adding a subdivision to read:

Subd. 39. **Emergency contact information data.** Data related to emergency contacts for elected officials are governed by section 299A.96.

Sec. 2. **[299A.96] EMERGENCY CONTACT INFORMATION FOR ELECTED OFFICIALS.**

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

(b) "Commissioner" means the commissioner of public safety.

(c) "Elected official" means a state executive officer, member of the legislature, justice of the supreme court, or member of the state's federal congressional delegation.

Subd. 2. **Submitting contact information to commissioner.** (a) For purposes of subdivision 4 and subject to paragraph (c), an elected official must submit and verify annually by January 31 to the commissioner the following information in the form prescribed by the commissioner:

(1) primary residential address;

(2) any secondary address in the state;

(3) work telephone number;

(4) home telephone number;

(5) email address; and

(6) list and contact information of immediate family members.

(b) An elected official must notify the commissioner within 30 days after changing any information under paragraph (a).

(c) An elected official may opt out of the requirements under this subdivision by submitting a notification in writing to the commissioner.

Subd. 3. **Data classification.** All information submitted under subdivision 2 is classified as private data on individuals under section 13.02, subdivision 12.

Subd. 4. **Using and disclosing information.** (a) The data under subdivision 2 may only be accessed by authorized personnel for official public safety purposes in the course of use or disclosure as provided under this subdivision. The commissioner may use or disclose data under subdivision 2 only to ensure the safety and security of elected officials or their immediate family members.

(b) Use or disclosure of the data under subdivision 2 is subject to the remedies and penalties under sections 13.08 and 13.09.

Sec. 3. Minnesota Statutes 2024, section 299D.03, subdivision 1, is amended to read:

Subdivision 1. **Members, powers, and duties.** (a) The commissioner is hereby authorized to employ and designate a chief supervisor, a chief assistant supervisor, and such assistant supervisors, sergeants and officers as are provided by law, who ~~shall~~ comprise the Minnesota State Patrol.

(b) ~~The~~ Members of the Minnesota State Patrol ~~shall~~ have the power and authority:

(1) as peace officers to enforce the provisions of the law relating to the protection of and use of trunk highways;

(2) at all times to direct all traffic on trunk highways in conformance with law, and in the event of a fire or other emergency, or to expedite traffic or to insure safety, to direct traffic on other roads as conditions may require notwithstanding the provisions of law;

(3) to serve search warrants related to criminal motor vehicle and traffic violations and arrest warrants, and legal documents anywhere in the state;

(4) to serve orders of the commissioner of public safety or the commissioner's duly authorized agents issued under the provisions of the Driver's License Law, the Safety Responsibility Act, or relating to authorized brake- and light-testing stations, anywhere in the state and to take possession of any license, permit, or certificate ordered to be surrendered;

(5) to inspect official brake and light adjusting stations;

(6) to make appearances anywhere within the state for the purpose of conducting traffic safety educational programs and school bus clinics;

(7) to exercise upon all trunk highways the same powers with respect to the enforcement of laws relating to crimes, as sheriffs and police officers;

(8) to cooperate, under instructions and rules of the commissioner of public safety, with all sheriffs and other police officers anywhere in the state, provided that said employees ~~shall~~ have no power or authority in connection with strikes or industrial disputes;

(9) to assist and aid any peace officer whose life or safety is in jeopardy;

(10) as peace officers to provide security and protection: (i) to the governor, governor elect, either or both houses of the legislature, and state buildings or property in the manner and to the extent determined to be necessary after consultation with the governor, or a designee; and (ii) as provided in section 299E.10. Pursuant to this clause, members of the State Patrol, acting as peace officers have the same powers with respect to the enforcement of laws relating to crimes, as sheriffs and police officers have within their respective jurisdictions;

(11) to inspect school buses anywhere in the state for the purposes of determining compliance with vehicle equipment, pollution control, and registration requirements;

(12) as peace officers to make arrests for public offenses committed in their presence anywhere within the state. Persons arrested for violations other than traffic violations ~~shall~~ must be referred ~~forthwith~~ immediately to the appropriate local law enforcement agency for further investigation or disposition; and

(13) to enforce the North American uniform out-of-service criteria and issue out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5.

(c) After consultation with the governor or a designee, the commissioner may require the State Patrol to provide security and protection to supreme court justices, legislators, and constitutional officers other than the governor, for a limited period and within the limits of existing resources, in response to a credible threat on the individual's life or safety.

(d) The state may contract for State Patrol members to render the services described in this section in excess of their regularly scheduled duty hours and patrol members rendering such services ~~shall~~ must be compensated in such amounts, manner and under such conditions as the agreement provides.

(e) Employees thus employed and designated ~~shall~~ must subscribe an oath.

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

Sec. 4. **[299E.005] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Capitol Area.** "Capitol Area" has the meaning given in section 15B.02.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of public safety.

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

Sec. 5. Minnesota Statutes 2024, section 299E.01, subdivision 1, is amended to read:

Subdivision 1. **Created; director.** A ~~division~~ section in the Department of Public Safety to be known as ~~the~~ Capitol ~~Complex~~ Security ~~Division~~ is created within the State Patrol. Capitol Security is under the supervision and control of the director of Capitol ~~complex~~ security, who must be a member of the State Patrol and to whom are assigned the duties and responsibilities described in this section. The commissioner of public safety may place the director's position in the unclassified service if the position meets the criteria of section 43A.08, subdivision 1a.

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

Sec. 6. Minnesota Statutes 2024, section 299E.01, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) ~~The division~~ Capitol Security is responsible and must utilize state employees for: (1) security and public information services in state-owned buildings and state leased-to-own buildings in the Capitol Area, as described in section 15B.02; and (2) legislative services as provided under section 299E.10. ~~It~~ The commissioner must provide personnel as are required by the circumstances to ~~insure~~ ensure the orderly conduct of state business and the convenience of the public. Until July 1, 2026, it must provide emergency assistance and security escorts at any location within the Capitol Area, as described in section 15B.02, when requested by a state constitutional officer.

(b) As part of ~~the division~~ Capitol Security permanent staff, the director of Capitol Security must establish the position of emergency manager that includes, at a minimum, the following duties:

(1) oversight of the consolidation, development, and maintenance of plans and procedures that provide continuity of security operations;

(2) the development and implementation of tenant training that addresses threats and emergency procedures; and

(3) the development and implementation of threat and emergency exercises.

(c) The director must provide a minimum of one state trooper assigned to the Capitol complex at all times. The director and any state troopers assigned to the Capitol complex must have current training in, or recent experience conducting, criminal investigations that include identifying witnesses and report writing.

(d) Subject to available resources, the director must provide for a staffing complement and reimbursements to meet the requirements under section 299E.10.

~~(d)~~ (e) The director, in consultation with the advisory committee under section 299E.04, ~~shall~~ must, at least annually, hold a meeting or meetings to discuss, among other issues, Capitol complex security, emergency planning, public safety, and public access to the Capitol complex. The meetings must include, at a minimum:

(1) Capitol complex tenants and state employees;

(2) nongovernmental entities, such as lobbyists, vendors, and the media; and

(3) the public and public advocacy groups.

(f) Notwithstanding arrest referral requirements in section 299D.03, subdivision 1, paragraph (b), clause (12), Capitol Security is the lead agency responsible for investigating alleged criminal offenses that occur in state-owned buildings and state leased-to-own buildings, or on grounds surrounding these buildings, within the Capitol Area. Another law enforcement agency may assume responsibility for a criminal investigation under this paragraph if the director and the chief law enforcement officer for the other agency agree, in writing, to transfer responsibility for the investigation.

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

Sec. 7. Minnesota Statutes 2024, section 299E.01, subdivision 3, is amended to read:

Subd. 3. **Powers and duties transferred.** All powers, duties and responsibilities heretofore assigned by law to the commissioner of administration relating to the general function of security in Capitol complex state-owned buildings are hereby transferred to the commissioner of public safety. The commissioner of public safety ~~shall have~~ has the final authority regarding public safety and security in the Capitol complex. The commissioner of administration ~~shall have~~ has the powers, duties, and responsibilities relating to the Capitol complex of state-owned buildings as provided under chapter 16B.

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

Sec. 8. Minnesota Statutes 2024, section 299E.01, subdivision 4, is amended to read:

Subd. 4. **Capitol complex.** For purposes of this section, the Capitol complex of state-owned buildings ~~shall be~~ is as defined in chapter 15B, and acts amendatory thereof and such other state-owned or state-leased buildings and property within the Twin Cities metropolitan area as the governor from time to time may designate.

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

Sec. 9. **[299E.015] CAPITOL COMPLEX SECURITY; REPORTS.**

Subdivision 1. **Public report.** (a) By January 15 of each year beginning in calendar year 2028, the commissioner must submit a report on the legislative services unit and security in the Capitol Area to the chairs and ranking minority members of the legislative committees with jurisdiction over state government, public safety, and transportation and to the Advisory Committee on Capitol Area Security.

(b) At a minimum, the report must:

(1) provide sufficient information to support a public conversation on Capitol complex security while maintaining the integrity of the state's security posture;

(2) provide an overview of the activities of Capitol Security and the legislative services unit;

(3) review the performance of the legislative services unit in each of the duties specified under section 299E.10, subdivisions 3 and 4;

(4) provide summary data for the prior year on the number of:

(i) threat assessments performed;

(ii) credible threats identified, disaggregated by the type and nature of the threat;

(iii) personal security and protection instances performed following a request or based on a threat assessment; and

(iv) changes from the preceding year in the amounts under items (i) to (iii);

(5) subject to the limitations of paragraph (d), describe how money appropriated for Capitol complex security was used in the previous year;

(6) subject to the limits of paragraph (d), provide a detailed description of security services costs, disaggregated by type of activity and any reimbursements; and

(7) provide any recommendations for relevant efficiency improvements, cost saving measures, and changes in security practices or state law.

(c) The public report may include summary data, as defined in section 13.02, subdivision 19, and may include the executive summary of the report required under subdivision 2.

(d) The report prepared under this subdivision must not contain descriptions of identified security vulnerabilities; public and controlled access systems and pathways; staffing patterns; architectural constraints; camera, alarm, and records technology systems; or any other information of which the disclosure would be likely to jeopardize the security of the Capitol Area buildings and the individuals who work in and visit those spaces.

Subd. 2. **Not public report.** (a) By January 15 of each year, the commissioner of public safety must report on the legislative services unit and security in the Capitol Area to the Advisory Committee on Capitol Area Security, the senate majority leader, the senate minority leader, the speaker of the house, and the minority leader of the house of representatives or, if there is no minority leader, the leader of the caucus that is not represented by the speaker of the house. At a minimum, the report must:

(1) describe how money appropriated for Capitol complex security was used in the previous year;

(2) provide a detailed description of security services costs, disaggregated by type of activity and any reimbursements;

(3) provide summary data for the legislative services unit in the previous year on the number of personal security and protection requests made and the number of personal security and protection instances performed following a request or based on a threat assessment;

(4) provide information on security incidents that occurred in the previous year, including incident categorization and trends compared to prior years;

(5) summarize the status of security staffing, use of technology, training, and other security procedures;

(6) describe any identified security vulnerabilities and propose steps to eliminate or mitigate those vulnerabilities; and

(7) make recommendations for changes in security policy and levels of funding.

(b) The report prepared under this subdivision is security information as defined in section 13.37, subdivision 1, paragraph (a). The report under this subdivision is not subject to the requirements under section 3.195.

(c) Upon request in writing by a recipient of the report under paragraph (a), the commissioner must provide additional details on security incidents.

(d) A member who receives a report prepared under this subdivision or information under paragraph (c) must not disseminate the report or information to the public. A member who willfully discloses the report or information in violation of this paragraph is subject to the penalties under section 13.09.

Sec. 10. **[299E.10] LEGISLATIVE SERVICES.**

Subdivision 1. **Unit created.** A legislative services unit is established within Capitol Security to perform the duties specified in this section.

Subd. 2. **Staffing.** The legislative services unit must be under the supervision and control of a member of the State Patrol who is a peace officer.

Subd. 3. **Threat assessment, mitigation, and response.** (a) The legislative services unit must (1) identify, assess, and investigate threats to the life or safety of a member of the legislature, and (2) assist in mitigation of threats that the unit determines are credible. The credible threat mitigation responsibilities of the unit include but are not limited to coordination with the State Patrol, local law enforcement, the relevant sergeant-at-arms of the senate or house of representatives, and other available resources on a security response to threats, including provision of personal security and protection for the member when warranted by a threat.

(b) Unless there are exigent circumstances or information that indicates otherwise, the unit must prioritize assessment of threats against members of the legislature in the following order:

(1) threats that involved a request for an emergency services response;

(2) threats that are referred for assessment by the speaker of the house, the minority leader of the house, or the majority or minority leader of the senate;

(3) threats that are specifically referred for assessment by any other member of the legislature; and

(4) threats that are identified by the unit, referred by a member of the legislature where a threat assessment is not requested, and gathered from any other source.

(c) For an imminent credible threat, the commissioner must immediately coordinate a response by available law enforcement resources.

(d) The commissioner may consult with the Bureau of Criminal Apprehension to determine whether a threat is credible.

(e) In response to a request under paragraph (b), clause (2) or (3), the commissioner must as soon as practicable provide the subject of a threat, and when appropriate and authorized by law, any referring party, with:

(1) an initial estimate on how long the requested threat assessment will take to complete;

(2) an explanation of the unit's threat analysis and determination;

(3) recommendations for mitigating the threat; and

(4) the proposed and intended actions of the unit to implement the recommendations under clause (3).

(f) The commissioner is not required to perform threat mitigation actions identified under paragraph (e) that are declined by the subject of the threat.

(g) The house of representatives and the senate, as appropriate, must reimburse the Department of Public Safety or a law enforcement agency for the reasonable costs of personal security and protection incurred under this subdivision. The house of representatives and the senate may enter into agreements with the commissioner to implement the requirements under this paragraph and subdivision 5.

Subd. 4. **Responsibilities.** (a) For purposes of this subdivision, "security services" includes but is not limited to security activities; protective activities; identification and assessment of public safety vulnerabilities, risks, and threats; and emergency response.

(b) Subject to available resources, the legislative services unit must:

(1) coordinate security services provided to members of the legislature, including but not limited to activities as a centralized communications and coordination hub and a liaison between members of the legislature, the sergeants-at-arms of the senate and house of representatives, the Minnesota Fusion Center, and local law enforcement agencies;

(2) develop and maintain a plan on security services provided to members of the legislature, which must include but is not limited to a threat matrix protocol for members of the legislature, for statewide use by the state and political subdivisions;

(3) develop protocols or procedures for security services communications related to or conducted with members of the legislature;

(4) develop protocols or procedures to identify, collate, assess, and respond to a credible threat to life or safety of a member of the legislature;

(5) upon request of a member of the legislature, review and provide input on plans by political subdivisions and local law enforcement agencies for security services provided to members of the legislature;

(6) offer to provide security orientation and training for newly elected members of the legislature within 21 days of taking the oath of office; and

(7) perform other activities determined to be necessary and related to the responsibilities specified in this subdivision, after consultation with the commissioner and the governor.

(c) The duties of the legislative services unit do not include individualized personal protective activities or emergency response outside the Capitol complex, except as provided under this section or section 299D.03, subdivision 1, paragraph (c).

(d) The commissioner may provide security and protection under this section in the form and manner the commissioner deems necessary.

(e) The protocols and procedures under paragraph (b) must follow generally accepted practices for security activities information gathering and evaluation and must safeguard the due process rights, civil liberties, and privacy rights of individuals.

Subd. 5. **Agreements with local law enforcement; reimbursement.** (a) The commissioner may enter into an agreement or similar arrangement with a local law enforcement agency for assistance by local peace officers to meet the security activities requirements under this section or section 299D.03, subdivision 1, paragraph (c).

(b) The following are available for reimbursement to a local law enforcement agency for eligible costs of assistance:

(1) an appropriation to the commissioner for the legislative services unit or the State Patrol, other than from the trunk highway fund or highway user tax distribution fund; and

(2) money received under subdivision 3, paragraph (g).

(c) The commissioner must establish a reimbursement process that minimizes submission and implementation burdens. Eligible costs for reimbursement must include but are not limited to time and overtime of personnel, travel expenses, equipment use, and other documented direct costs determined by the commissioner as necessary and reasonable.

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

Sec. 11. **SECURITY SERVICES TASK FORCE.**

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

(b) "Commissioner" means the commissioner of public safety.

(c) "Security services" has the meaning given in Minnesota Statutes, section 299E.10, subdivision 4, paragraph (a).

(d) "Task force" means the Security Services Task Force established in this section.

Subd. 2. **Establishment.** The Security Services Task Force is established to advise and provide recommendations on security and protective services provided to members of the legislature.

Subd. 3. **Membership.** (a) The task force is composed of the following members:

(1) two members of the senate, with one appointed by the senate majority leader and one appointed by the senate minority leader;

(2) two members of the house of representatives, with one appointed by the leader of each primary caucus in the house of representatives;

(3) the commissioner or a designee;

(4) one representative from the Minnesota Fusion Center, appointed by the commissioner;

(5) the chief supervisor of the State Patrol or a designee;

(6) the director of Capitol Security or a designee;

(7) one representative or an appointee from the supreme court, appointed by the chief justice of the supreme court;

(8) one representative for state constitutional officers, jointly appointed by the attorney general, secretary of state, and state auditor;

(9) one representative from the Minnesota Sheriffs' Association, appointed by the president of the association's board of directors;

(10) one representative from the Minnesota Chiefs of Police Association, appointed by the president of the association's board of directors;

(11) the sergeants-at-arms of the senate or a designee; and

(12) the sergeants-at-arms of the house of representatives or a designee.

(b) By August 15, 2026, the appointing authorities under paragraph (a) must make the appointments and designations.

(c) Members of the task force serve at the pleasure of the appropriate appointing authority.

(d) At its first meeting, the task force must elect a chair or cochairs from among the task force members specified in paragraph (a), clauses (1) to (3), by a majority vote of those members present and may elect a vice-chair as necessary.

Subd. 4. **Meetings.** (a) By September 15, 2026, the commissioner must convene the first meeting of the task force.

(b) The task force must meet as necessary to accomplish the duties under subdivision 5.

(c) The task force is subject to the Open Meeting Law under Minnesota Statutes, chapter 13D, including but not limited to the authority provided under Minnesota Statutes, section 13D.05, subdivision 3, paragraph (d).

Subd. 5. **Duties.** (a) The task force must:

(1) review and analyze national best practices on security services for public officials;

(2) advise the commissioner on implementation of the legislative services unit under Minnesota Statutes, section 299E.10, including but not limited to providing input on (i) unit duties, and (ii) mutual aid and reimbursement processes under Minnesota Statutes, section 299E.10, subdivisions 3 and 5;

(3) assist the commissioner in the development of protocols for communication and coordination of security services for members of the legislature, including but not limited to providing a recommendation of approval or disapproval of the protocols;

(4) analyze effectiveness, deficiencies, costs, data privacy, and potential enhancements of information technology systems used for security services communications related to members of the legislature;

(5) evaluate methods to provide security services to the house of representatives and senate or a legislative proceeding or event, and to provide individualized personal protective services for a member of the legislature;

(6) advise the commissioner in the development of procedures and requirements for security orientation and training for new members of the legislature;

(7) evaluate methods to ensure personal data privacy related to personal security needs of members of the legislature;

(8) perform other activities as determined to be necessary and related to the duties specified in this subdivision; and

(9) develop recommendations related to the duties specified in this subdivision.

(b) The task force may only adopt a finding or recommendation following a vote of at least four of the task force members specified in subdivision 3, paragraph (a), clauses (1) to (3).

(c) The task force must adopt a finding or recommendation that receives an affirmative vote from all four of the task force members specified in subdivision 3, paragraph (a), clauses (1) and (2).

Subd. 6. **Administration.** (a) The commissioner must provide administrative and staff support for the task force.

(b) Upon request of the task force, the commissioner and local units of government must provide information and technical assistance in a timely fashion.

(c) Members of the task force serve without compensation under this section. Legislative members may receive per diem and reimbursement for expenses as provided in the rules of their respective bodies.

Subd. 7. **Report.** By February 1, 2027, the commissioner and the task force must jointly submit a report on the task force to the chairs and ranking minority members of the legislative committees with jurisdiction over state government, public safety, and transportation and to the Advisory Committee on Capitol Area Security. At a minimum, the report must:

(1) summarize the activities of the task force, including for each of the duties specified under subdivision 5;

(2) identify task force findings and recommendations and any resulting actions by the commissioner;

(3) provide a status update on implementation of the legislative services unit under Minnesota Statutes, section 299E.10;

(4) if available, provide a draft of the plan specified under Minnesota Statutes, section 299E.10, subdivision 4, paragraph (b), clause (2); and

(5) make recommendations on any relevant changes in state law, including proposed legislation.

Subd. 8. **Expiration.** The task force expires on June 30, 2027.

Sec. 12. **LEGISLATIVE SERVICES UNIT IMPLEMENTATION.**

(a) The commissioner of public safety must immediately commence implementation of the legislative services unit under Minnesota Statutes, section 299E.10.

(b) By December 15, 2027, the commissioner of public safety must submit a report on the legislative services unit to the chairs and ranking minority members of the legislative committees with jurisdiction over state government, public safety, and transportation and to the Advisory Committee on Capitol Area Security. At a minimum, the report must:

(1) provide a status update on implementation of the legislative services unit under Minnesota Statutes, section 299E.10;

(2) summarize the activities of the legislative services unit for each of the responsibilities specified under Minnesota Statutes, section 299E.10, subdivisions 3 and 4;

(3) if available, provide the plan specified under Minnesota Statutes, section 299E.10, subdivision 4, paragraph (b), clause (2);

(4) identify any actions taken by the commissioner in response to recommendations of the Security Services Task Force under section 11;

(5) identify and explain the expenditures for legislative services unit implementation; and

(6) make recommendations on any relevant changes in state law, including proposed legislation.

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

ARTICLE 3
PUBLIC SAFETY 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.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **PUBLIC SAFETY**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$1,314,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Office of Justice Programs**	-0-	1,314,000
(a) **Task Force on Improving Responses to Domestic Violence Crimes**		
$159,000 the second year is for the Task Force on Improving Responses to Domestic Violence Crimes. This is a onetime appropriation.		
(b) **Trafficking and Sexual Exploitation Prevention for Youth**		
$125,000 the second year is for a grant to a nonprofit organization selected following a request for proposals to be used to address youth trafficking and sexual exploitation in the Twin Cities metropolitan area. The grant recipient must use the money to provide youth trafficking prevention services to youth, parents, and the community by working with youth groups, recovery support groups, domestic violence support groups, and the Ramsey County correctional facility to provide victim-centered and trauma-informed support, awareness, and education to prevent youth trafficking, sexual violence, and exploitation in Minnesota. This is a onetime appropriation.		

(c) **Young Adult Reentry Services**

$125,000 the second year is for a grant to a nonprofit organization to do the following in Hennepin County: engage in community outreach, partnership development, mobile case management, family reunification, aftercare, job attainment, follow up, and housing placement when young adults, up to age 24, are released from juvenile detention or prison. The grant recipient must specifically seek to address the lack of resources for the large number of young adults reentering the community post-incarceration or post-detention. This is a onetime appropriation.

(d) **Minnesota Clearance Grant Program**

$905,000 the second year is for the Minnesota clearance grant program. This is a onetime appropriation.

Sec. 3. **CORRECTIONS**

Subdivision 1. **Total Appropriation**	**$-0-**	**$13,000**

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

Subd. 2. **Incarceration and Prerelease Services**	-0-	13,000

The base for incarceration and prerelease services is increased by $48,000 in fiscal year 2028 and $63,000 in fiscal year 2029.

Sec. 4. **MINNESOTA VICTIMS OF CRIME ACCOUNT; TRANSFER.**

$12,000,000 in fiscal year 2027 is transferred from the general fund to the Minnesota victims of crime account in the special revenue fund established under Minnesota Statutes, section 299A.708. The base for this transfer is $148,000 in fiscal year 2028 and $0 beginning in fiscal year 2029.

Sec. 5. Laws 2025, chapter 35, article 2, section 4, is amended to read:

Sec. 4. **PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD**	~~**$11,691,000**~~ **12,749,000**	~~**$11,739,000**~~ **12,797,000**

(a) **Peace Officer Training Reimbursements**

$2,949,000 each year is for reimbursements to local governments for peace officer training costs.

(b) **Philando Castile Memorial Training Fund**

~~$4,942,000~~ $6,000,000 each year is to support and strengthen law enforcement training and implement best practices. This funding shall be named the "Philando Castile Memorial Training Fund." These funds may only be used to reimburse costs related to

training courses that qualify for reimbursement under Minnesota Statutes, sections 626.8452 (use of force), 626.8469 (training in crisis response, conflict management, and cultural diversity), and 626.8474 (autism training).

Each sponsor of a training course is required to include the following in the sponsor's application for approval submitted to the board: course goals and objectives; a course outline including at a minimum a timeline and teaching hours for all courses; instructor qualifications; and a plan for learning assessments of the course and documenting the assessments to the board during review. Upon completion of each course, instructors must submit student evaluations of the instructor's teaching to the sponsor.

The board shall keep records of the applications of all approved and denied courses. All continuing education courses shall be reviewed after the first year. The board must set a timetable for recurring review after the first year. For each review, the sponsor must submit its learning assessments to the board to show that the course is teaching the learning outcomes that were approved by the board.

A list of licensees who successfully complete the course shall be maintained by the sponsor and transmitted to the board following the presentation of the course and the completed student evaluations of the instructors. Evaluations are available to chief law enforcement officers. The board shall establish a data retention schedule for the information collected in this section.

Each year, if funds are available after reimbursing all eligible requests for courses approved by the board under this ~~subdivision~~ paragraph, the board may use the funds to reimburse law enforcement agencies for other board-approved law enforcement training courses. Any unexpended balance of the appropriation in the first year does not cancel but is available in the second year. The base for this activity is $878,000 beginning in fiscal year 2028 and thereafter.

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

ARTICLE 4
PUBLIC SAFETY POLICY

Section 1. Minnesota Statutes 2024, section 8.16, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The attorney general, or any deputy, assistant, or special assistant attorney general whom the attorney general authorizes in writing, has the authority in any county of the state to subpoena and require the production of:

(1) any records of:

(i) telephone companies, cellular phone companies, paging companies, subscribers of private computer networks including Internet service providers or computer bulletin board systems~~,~~;

(ii) electric companies, gas companies, and water utilities~~,~~;

(iii) chemical suppliers~~,~~;

(iv) hotels and motels~~,~~;

(v) pawn shops~~,~~;

(vi) airlines, buses, taxis, and other entities engaged in the business of transporting people~~,~~; and

(vii) freight companies, self-service storage facilities, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery~~,~~;

(2) books, papers, correspondence, memoranda, agreements, and other documents or records related to a law enforcement investigation where there is probable cause to believe a crime has been committed involving a financial crime or fraud, including but not limited to fraud involving state funded or administered programs or services as defined in section 299C.061, subdivision 1, paragraph (b), and insurance fraud in violation of section 609.611. Nothing in this clause limits the attorney general's authority under section 8.31 or under other law; and

(3) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 2. Minnesota Statutes 2024, section 638.14, subdivision 5, is amended to read:

Subd. 5. **Applicant appearance; third-party statements.** (a) An applicant for clemency must appear before the commission either in person or through available forms of telecommunication.

(b) The victim of an applicant's crime may appear and speak at the meeting or submit a written statement to the commission. The commission may treat a victim's written statement as confidential and not disclose the statement to the applicant or the public if there is or has been an order for protection, harassment restraining order, or other no-contact order prohibiting the applicant from contacting the victim. At the request of the victim, the commission may treat a victim's written statement as confidential and not disclose the statement to the public.

(c) A law enforcement agency's representative may provide the agency's position on whether the commission should recommend clemency by:

(1) appearing and speaking at the meeting; or

(2) submitting a written statement to the commission.

(d) The sentencing judge and the prosecuting attorney, or their successors, may provide their positions on whether the commission should recommend clemency by:

(1) appearing and speaking at the meeting; or

(2) submitting their statements under section 638.11, subdivision 2.

Sec. 3. **TASK FORCE ON IMPROVING RESPONSES TO DOMESTIC VIOLENCE CRIMES.**

Subdivision 1. **Establishment.** The Task Force on Improving Responses to Domestic Violence Crimes is established to review law enforcement, prosecutorial, and community responses to domestic violence crimes and make policy and funding recommendations to the legislature to improve those responses and increase public safety.

Subd. 2. **Membership.** (a) The commissioner of public safety must invite individuals with lived domestic violence experience and representatives from city and county prosecuting agencies, Violence Free Minnesota, Mending the Sacred Hoop, other statewide crime victim coalitions, organizations that advocate for or provide direct services to victims of domestic violence, organizations that provide domestic abuse transformation programming, the Minnesota judicial branch, the Minnesota Board of Public Defense, the Minnesota Association of Criminal Defense Lawyers, the Department of Health, the Department of Public Safety, the Office of Justice Programs, the Office for Missing and Murdered Indigenous Relatives, the Office for Missing and Murdered Black Women and Girls, local law enforcement agencies, Tribal governments, and other interested parties to participate in the task force.

(b) The commissioner must ensure that the membership of the task force is balanced among the various representatives, reflects a broad spectrum of viewpoints, reflects the geographic diversity of the state, and is inclusive of marginalized communities as well as victim and survivor voices.

(c) Members serve at the pleasure of the commissioner of public safety or until the task force expires. The commissioner may fill vacancies consistent with the qualifications of the vacating member invited to participate in the task force.

(d) Members of the task force serve without compensation.

Subd. 3. **Officers; meetings.** (a) The commissioner of public safety or the commissioner's designee must convene the first meeting of the task force by September 1, 2026.

(b) At the first meeting, the members of the task force must elect a chair and may elect other officers as the members deem necessary.

(c) The task force must meet monthly or as determined by the chair. The task force must meet frequently enough to accomplish the tasks identified in this section.

(d) Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Duties.** (a) The task force must review current practices related to cases of domestic violence and recommend policies, training, statutory changes, and funding to make investigations more effective, support and protect victims, improve prosecutions, and increase awareness of issues connected to domestic violence throughout the criminal justice system.

(b) The task force's first responsibility must be to develop a model policy on the use of lethality assessments by peace officers and recommend training for peace officers, law enforcement agencies, and others regarding the use of lethality assessments. The model policy must require peace officers interviewing a victim of domestic abuse to assess the potential danger to the victim and recommend specific actions for peace officers to take if the results of the assessment indicate the victim is in need of immediate protection or services. The model policy may include a lethality assessment form for use by peace officers.

(c) At a minimum, the task force must:

(1) review current training related to domestic violence cases that is provided to 911 telecommunicators, peace officers, social workers, prosecuting attorneys, and judges;

(2) develop updated training guidelines and establish recommendations for regular review of those guidelines;

(3) review current practices for interviewing victims of domestic violence, children who are victims or witnesses of domestic violence, and other witnesses;

(4) make recommendations for improved interviewing practices, including policies for following up on interviews and providing protection and support for witnesses;

(5) identify barriers victims of domestic violence encounter when reporting incidents of domestic violence, participating in an investigation or prosecution, and accessing services;

(6) recommend standard policies and practices to reduce the barriers victims of domestic violence encounter;

(7) identify crimes that frequently occur in conjunction with incidents of domestic violence, such as property damage and theft, and make recommendations regarding investigating, documenting, and prosecuting those offenses;

(8) identify conditions, such as traumatic brain injuries, that frequently result from repeated incidents of domestic violence and recommend policies and procedures for working with victims and witnesses who may be suffering from those conditions;

(9) make recommendations for public awareness campaigns to improve the ability of the general public to identify signs of domestic violence and properly report observations;

(10) review practices in Minnesota and other jurisdictions regarding the use of specialty courts or dedicated calendars to address cases involving domestic violence and family law to determine if dedicated courts improve outcomes for victims, reduce recidivism, increase consistency, or have any other benefits;

(11) review current practices related to the involvement of victim advocates;

(12) make recommendations for best practices related to supporting victims of domestic violence through the use of victim advocates, including identifying the appropriate scope of services, recommending the point of initial engagement, suggesting the appropriate frequency of contacts, and making other recommendations related to improving the quality and consistency of contacts;

(13) review prosecutorial policies adopted under Minnesota Statutes, section 611A.0311, and make recommendations for updates to those policies;

(14) identify appropriate data that prosecutors should collect and report related to cases involving domestic violence to ensure consistency and transparency in the prosecution of cases involving domestic violence and the appropriate protection and support of victims and witnesses;

(15) review existing data to assess the regularity of cases in which multiple parties are arrested following an incident of domestic violence and make recommendations related to whether arrests should be limited to the predominant aggressor; and

(16) evaluate public health policies to encourage the prevention of domestic violence.

(d) The task force may consider additional information, request presentations or contributions from any other organization or person, and consider other issues consistent with the purpose of the task force.

Subd. 5. **Reports.** (a) By January 15, 2027, the task force must submit a preliminary report to the chairs, cochairs, and ranking minority members of the legislative committees with jurisdiction over public safety that includes the model policy and recommendations for the training described in subdivision 4, paragraph (b).

(b) By January 15, 2028, the task force must submit a final report to the chairs, cochairs, and ranking minority members of the legislative committees with jurisdiction over public safety on the work of the task force, including any recommendations for legislation or funding.

Subd. 6. **Expiration.** The task force expires the day after submitting its final report under subdivision 5.

Sec. 4. **MINNESOTA CLEARANCE GRANT PROGRAM.**

Subdivision 1. **Definitions.** For purposes of this section, "nonfatal shooting clearance rate" means the rate at which a law enforcement agency cleared by arrest or cleared by exceptional means a nonfatal shooting offense. For purposes of this definition:

(1) "cleared by arrest" means that a law enforcement agency has arrested at least one person as an offender, charged the person with the commission of an offense, and referred the person to the court for prosecution; and

(2) "cleared by exceptional means" means that a law enforcement agency has identified at least one person as an offender; gathered enough evidence to support an arrest, charge the person, and refer the person to the court for prosecution; identified the person's exact location for the person to be taken into custody immediately; and encountered a circumstance outside the control of the law enforcement agency that prohibits the agency from arresting, charging, and referring the person for prosecution.

Subd. 2. **Program establishment; purpose.** The commissioner of public safety must establish the Minnesota clearance grant program to award grants to law enforcement agencies to reduce violent crime by increasing the solve rate of crimes that involve the nonfatal shooting of a firearm. The purpose of the program is to improve law enforcement strategies and initiatives aimed at increasing nonfatal shooting clearance rates, engagement, and support for victims of violent crime. The program recognizes that nonfatal shooting offenses often involve multiple jurisdictions and encourages interagency cooperative efforts to maximize information sharing, resource sharing, and expertise.

Subd. 3. **Application; grant awards.** (a) Applicants must submit an application in the form and manner established by the commissioner. In awarding a grant, the commissioner must give priority to a law enforcement agency:

(1) that develops a plan to partner with other law enforcement agencies to maximize interagency information sharing, resource sharing, and expertise;

(2) that demonstrates a commitment to working with other government agencies to improve clearance rates; and

(3) that details a process for evaluating the effectiveness of both investigators and investigative units, including but not limited to the development of specific goals and performance metrics.

(b) The commissioner must distribute 50 percent of the funding appropriated for grants under this section to applicants from outside the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

(c) Distribution of state money or technical assistance are by contractual arrangement between the commissioner and each recipient law enforcement agency. Terms of the contract are negotiable each year. The state auditor must periodically audit all law enforcement agencies receiving state grants. Nothing in this section prohibits a law enforcement agency from receiving federal or local grants if grants become available.

Subd. 4. **Use of grants.** A law enforcement agency awarded a grant under this section must use the grant award:

(1) to improve investigatory resources, including but not limited to the hiring of personnel assigned to investigate nonfatal shooting crimes or collect, process, and test forensic evidence;

(2) for overtime for investigators and support staff;

(3) to develop evidence-based policies, procedures, and training;

(4) for technical assistance;

(5) for law enforcement equipment or technology, including but not limited to investigative, evidence-processing, or forensic-testing equipment or technology;

(6) for information systems, with prioritization for projects that would improve data integration and the ability to share information across and between law enforcement agencies, prosecuting attorneys' offices, and crime laboratories;

(7) for hiring and retention of victim-witness coordinators; and

(8) to partner with hospital-based violence intervention programs.

Subd. 5. **Report.** A law enforcement agency that receives a grant under this section must submit biannually to the commissioner a report on activities carried out to reduce violent crime and improve nonfatal shooting clearance rates during the preceding fiscal year, including but not limited to:

(1) the number of investigations initiated, the number of nonfatal shootings cleared, the demographics of victims and offenders, and the impact on the nonfatal shooting clearance rates in the jurisdiction where investigations were initiated;

(2) the number of personnel hired or assigned to investigate nonfatal shootings, disaggregated between sworn law enforcement officers and civilian or unsworn professional staff;

(3) the number of personnel hired or assigned to collect, process, and test forensic evidence;

(4) the number of personnel hired or assigned to provide victim services;

(5) the description of any training developed or implemented;

(6) the description of any new technology purchased or acquired;

(7) how grant-funded activities have impacted clearance rates; and

(8) the record management system, or equivalent, used to collect case information and the system's ability to integrate with the record management systems of other agencies, prosecuting attorney's offices, and crime laboratories.

Sec. 5. **REPEALER.**

Article 3, section 1, of 2026 S. F. No. 4760, if enacted, is repealed.

ARTICLE 5
GENERAL CRIMINAL PROVISIONS

Section 1. Minnesota Statutes 2025 Supplement, section 609.2231, subdivision 2, is amended to read:

Subd. 2. **Firefighters and ~~emergency~~ medical personnel.** (a) Except as provided in paragraph (b), whoever physically assaults any of the following persons is guilty of a gross misdemeanor:

(1) either:

(i) a member of a municipal or volunteer fire department in the performance of the member's duties; or

(ii) a member of an emergency medical services personnel unit in the performance of the member's duties; ~~or~~

(2) a physician, nurse, or other person providing health care services in a hospital emergency department~~.~~; or

(3) a security guard, as defined in section 326.32, subdivision 13, providing services in a hospital or clinic.

(b) Whoever physically assaults a person described in paragraph (a), is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $6,000, or both, if the assault inflicts demonstrable bodily harm.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 609.52, subdivision 3a, is amended to read:

Subd. 3a. **Enhanced ~~penalty~~ penalties; risk of harm; vulnerable adult.** (a) If a violation of this section creates a reasonably foreseeable risk of bodily harm to another, the penalties described in subdivision 3 are enhanced as follows:

(1) if the penalty is a misdemeanor or a gross misdemeanor, the person is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both; and

(2) if the penalty is a felony, the statutory maximum sentence for the offense is 50 percent longer than for the underlying crime.

(b) If a person violates this section knowing or having reason to know that the victim of the offense is a vulnerable adult as defined in section 609.232, subdivision 11, the penalties described in subdivision 3 are enhanced as follows:

(1) if the penalty is a misdemeanor, the person is guilty of a gross misdemeanor;

(2) if the penalty is a gross misdemeanor, the person is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $5,000, or both; and

(3) if the penalty is a felony, the statutory maximum sentence for the offense is 25 percent longer than for the underlying crime.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2024, section 617.246, is amended by adding a subdivision to read:

Subd. 8. **Venue.** Notwithstanding anything to the contrary in section 627.01, an offense committed under this section may be prosecuted in:

(1) the county where the offense occurred;

(2) the county of residence of the accused or victim; or

(3) if venue cannot be located in the counties specified under clause (1) or (2), the county where any sexual performance or child sexual abuse material is produced, reproduced, found, stored, received, promoted, disseminated, or possessed in violation of this section.

Sec. 4. Minnesota Statutes 2025 Supplement, section 617.247, is amended by adding a subdivision to read:

Subd. 10. **Venue.** Notwithstanding anything to the contrary in section 627.01, an offense committed under this section may be prosecuted in:

(1) the county where the offense occurred;

(2) the county of residence of the accused or victim; or

(3) if venue cannot be located in the counties specified under clause (1) or (2), the county where any sexual performance or child sexual abuse material is produced, reproduced, found, stored, received, promoted, disseminated, or possessed in violation of this section.

Sec. 5. **[617.275] CHILD SEXUAL ABUSE MATERIAL; ON-SCENE DIGITAL EVIDENCE PREVIEW.**

Subdivision 1. **Authority.** When a court issues a search warrant authorizing the search and seizure of electronic devices or digital media for evidence of child sexual abuse material, the warrant also authorizes law enforcement officers and forensic investigators to conduct an on-scene forensic preview of the device or media at the location of execution.

Subd. 2. **Preview.** The on-scene forensic preview of an electronic device or digital media is limited to the examination reasonably necessary to identify, confirm, and document the presence or absence of child sexual abuse material, as defined in section 617.246, subdivision 1, paragraph (f). Any additional forensic analysis of a device or media beyond the initial preview must be conducted in a digital forensic laboratory or other controlled environment pursuant to a separate court-issued search warrant specific to that device or media.

Subd. 3. **Safeguards.** (a) On-scene forensic previews must be conducted using forensic methods designed to preserve the integrity of data and ensure admissibility in court.

(b) If a preview establishes that a seized device contains no relevant evidence, law enforcement shall return the device to the owner or possessor as soon as practicable, consistent with section 626.04.

Subd. 4. **Warrant.** A separate search warrant is not required for the limited on-scene forensic preview authorized under this section, provided that the underlying warrant expressly authorizes the search for child sexual abuse material.

Subd. 5. **Scope.** Nothing in this section diminishes or alters the constitutional protections afforded under the Fourth Amendment of the United States Constitution, or Minnesota Constitution, article I, section 10.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to search warrants issued on or after that date.

ARTICLE 6
PREDICTION MARKETS

Section 1. Minnesota Statutes 2024, section 299L.03, subdivision 12, is amended to read:

Subd. 12. **Cease and desist orders.** (a) When it appears to the director that any person has engaged in or is about to engage in any act or practice constituting a violation of this chapter, ~~or~~ any rule or order issued under this chapter, or section 609.7615, the director may issue and cause to be served on the person an order requiring the person to cease and desist from the violations ~~of this chapter, or any rule or order issued under this chapter~~. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing must be held not later than seven days after receiving the request for a hearing. Within 20 days of receiving the administrative law judge's report and subsequent exceptions and argument, the director shall issue an order vacating the cease and desist order, modifying the order, or making it permanent, as the facts require. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings under this subdivision must be conducted in accordance with sections 14.57 to 14.69 of the Administrative Procedure Act. If the person to whom a cease and desist order has been issued under this subdivision fails to appear at a hearing after being notified of the hearing, the person is deemed in default and the proceeding may be determined against the person on consideration of the cease and desist order, the allegations of which are deemed to be true.

(b) When it appears to the director that any person has engaged in or is about to engage in any act or practice constituting a violation of this chapter, ~~or~~ any rule adopted or subpoena or order issued under this chapter, or section 609.7615, the director may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance ~~with this chapter or any rule, subpoena, or order issued or adopted under this chapter~~, and may refer the matter to the attorney general. On a proper showing, the court shall grant a permanent or temporary injunction, restraining order, or writ of mandamus. The court may not require the director to post a bond.

Sec. 2. Minnesota Statutes 2024, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;

(2) a contract for the purchase or sale ~~at a~~ for future ~~date~~ delivery of securities or ~~other~~ any physical commodities or any option on such futures contract, such securities or commodities, or on the prices thereof, except as provided in section 609.7615;

(3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;

(4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

(5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;

(6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;

(7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; and

(8) the purchase and sale of State Lottery tickets under chapter 349A.

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

Sec. 3. **[609.7615] PREDICTION MARKETS.**

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

(b) "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or tournaments involving the physical proficiency of one or more players or participants. Athletic event includes horse racing as defined in section 240.01, subdivision 8.

(c) "Esports event" means a competition between individuals or teams using video games in a game, match, contest, or series of games, matches, or contests, or a tournament, or by a person or team against a specified measure of performance which is hosted at a physical location or online.

(d) "Game of skill" means a game, match, or tournament, or a series of games, matches, and tournaments involving the dexterity or mental skill of one or more players or participants. Game of skill includes an esports event.

(e) "Prediction market" means a system that allows consumers to place a wager on the future outcome of a specified event that is not determined or affected by the performance of the parties to the contract for:

(1) an athletic event or game of skill, or portions thereof or individual performance statistics therein;

(2) any game played with cards, dice, equipment, or any mechanical or electronic device or machine;

(3) war, state or national emergencies, human-made disasters, mass shootings, acts of terrorism, or public health crises, or the ancillary effects thereof;

(4) any event or events happening to a natural person or group of people;

(5) a federal, state, or local election, or the specific decisions of the federal, state, or local government and the government's agencies, employees, and officers, the primary underlying characteristic of which is not financial, commercial, or economic or the outcome is under the complete control of any person or the outcome is known by any person in advance. This prohibition applies to event contracts on the specific action or decision itself and does not apply to the resulting consequences of such actions or decisions;

(6) legal actions, including but not limited to a civil or criminal suit, grand jury action, jury trial, settlement, plea, or conviction;

(7) the death, assassination, or attempted killing of a person or group of persons, or mass casualty events;

(8) events in popular culture, including but not limited to awards and the date a piece of entertainment will be released; or

(9) whether a person will make a particular statement.

(f) "Wager" means a contract, including a prediction market contract, whereby the parties to the contract agree to a gain or loss by one to the other of money, property, or benefit.

Subd. 2. **Prediction markets; hosting prohibited.** A person is guilty of a felony if the person, for consideration and as part of a business:

(1) creates a prediction market;

(2) operates, manages, or controls a platform or system intending that consumers will use the platform or system to make wagers in a prediction market;

(3) intentionally facilitates the operation of a prediction market by:

(i) identifying or listing events knowing the events will be used by consumers to make wagers;

(ii) accepting, holding, or directing the disposition of funds or other things of value for the purpose of allowing consumers to make wagers or to settle wagers made by consumers;

(iii) determining, administering, or enforcing the terms, pricing, or settlement of wagers made by consumers;

(iv) regularly or continuously acting as a counterparty to wagers made by consumers by entering into a wager, offering to enter into a wager, or taking a temporary position in a wager that may be replaced by a different consumer; or

(v) setting or adjusting the prices, odds, or terms that apply to wagers entered into by consumers;

(4) provides data, information, or verification services, including the provision of event outcomes, directly to a prediction market knowing that the data, information, or verification services will be used to allow consumers to make wagers or to settle wagers made by consumers in violation of this section; or

(5) provides supportive services to a prediction market knowing that the services will be used to identify a consumer's location, transfer funds, or make or process payments for the purpose of allowing consumers to make wagers or to settle wagers made by consumers in violation of this section.

Subd. 3. **Prediction markets; advertising prohibited.** Whoever advertises or markets financial or technological products that promote transactions prohibited under this section is guilty of a felony.

Subd. 4. **Exceptions.** Subdivision 2 does not apply to:

(1) activities that are not bets under section 609.75, subdivision 3; and

(2) contracts authorized and regulated under chapters 59A to 79A.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 4. **REPEALER.**

2026 S. F. No. 4760, article 8, sections 1, 2, and 3, if enacted, are repealed."

Delete the title and insert:

"A bill for an act relating to public safety; modifying provisions governing Capitol security; creating emergency contact information policy for elected officials; modifying attorney general subpoena authority; modifying clemency provisions; establishing task forces and a grant program; including security guards in medical personnel assault crime; modifying penalties for theft from vulnerable adults; modifying child sexual abuse material policy; prohibiting prediction markets-related activities; providing for a Department of Natural Resources money transfer; requiring reports; providing criminal penalties; appropriating money for public safety, corrections, and for judicial, legislative, and constitutional officer safety and security; repealing 2026 S. F. No. 4760, article 3, section 1, and article 8, sections 1, 2, and 3, if enacted; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 13.6905, by adding a subdivision; 299D.03, subdivision 1; 299E.01, subdivisions 1, 2, 3, 4; 299L.03, subdivision 12; 609.52, subdivision 3a; 609.75, subdivision 3; 617.246, by adding a subdivision; 638.14, subdivision 5; Minnesota Statutes 2025 Supplement, sections 609.2231, subdivision 2; 617.247, by adding a subdivision; Laws 2025, chapter 35, article 1, sections 2; 4; 5; article 2, section 4; Laws 2025, chapter 39, article 1, section 2; Laws 2025, First Special Session chapter 8, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 299A; 299E; 609; 617."

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

Senate Conferees: RON LATZ, TOU XIONG, D. SCOTT DIBBLE, BONNIE WESTLIN and MICHAEL KREUN.

House Conferees: KELLY MOLLER, BRION CURRAN, TINA LIEBLING, PEGGY SCOTT, PAUL NOVTONY and BJORN OLSON.

Moller moved that the report of the Conference Committee on S. F. No. 3432 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3432, A bill for an act relating to public safety; modifying provisions governing Capitol security; creating emergency contact information policy for elected officials; modifying attorney general subpoena authority; modifying clemency provisions; establishing task forces and a grant program; including security guards in medical personnel assault crime; modifying penalties for theft from vulnerable adults; modifying child sexual abuse material policy; prohibiting prediction markets-related activities; providing for a Department of Natural Resources money transfer; requiring reports; providing criminal penalties; appropriating money for public safety, corrections, and for judicial, legislative, and constitutional officer safety and security; repealing 2026 S. F. No. 4760, article 3, section 1, and article 8, sections 1, 2, and 3, if enacted; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 13.6905, by adding a subdivision; 299D.03, subdivision 1; 299E.01, subdivisions 1, 2, 3, 4; 299L.03, subdivision 12; 609.52, subdivision 3a; 609.75, subdivision 3; 617.246, by adding a subdivision; 638.14, subdivision 5; Minnesota Statutes 2025 Supplement, sections 609.2231, subdivision 2; 617.247, by adding a subdivision; Laws 2025, chapter 35, article 1, sections 2; 4; 5; article 2, section 4; Laws 2025, chapter 39, article 1, section 2; Laws 2025, First Special Session chapter 8, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 299A; 299E; 609; 617.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 100 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Acomb	Dotseth	Hicks	Lee, F.	Norris	Skraba
Agbaje	Elkins	Hill	Lee, K.	Novotny	Smith
Allen	Falconer	Hollins	Lee, X.	O'Driscoll	Stephenson
Anderson, P. E.	Feist	Howard	Liebling	Olson	Swedzinski
Backer	Finke	Huot	Lillie	Pérez-Vega	Tabke
Bahner	Fischer	Hussein	Long	Perryman	Torkelson
Baker	Frazier	Igo	Luger-Nikolai	Pinto	Vang
Berg	Frederick	Johnson, P.	Mahamoud	Pursell	Virnig
Bierman	Freiberg	Jones	Moller	Quam	Warwas
Buck	Gander	Jordan	Momanyi-Hiltsley	Rarick	Witte
Burkel	Gomez	Keeler	Mueller	Rehm	Wolgamott
Carroll	Gottfried	Klevorn	Myers	Rehrauer	Xiong
Cha	Greene	Koegel	Nadeau	Repinski	Youakim
Clardy	Greenman	Kotyza-Witthuhn	Nash	Reyer	Zeleznikar
Coulter	Hansen, R.	Kozlowski	Nelson	Schomacker	Spk. Demuth
Curran	Hanson, J.	Kraft	Niska	Scott	
Davids	Heintzeman	Kresha	Noor	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Dippel	Gordon	Knudsen	Roach	Stier
Anderson, P. H.	Duran	Harder	Koznick	Robbins	Van Binsbergen
Bakeberg	Engen	Hudson	Lawrence	Rymer	West
Bennett	Fogelman	Jacob	McDonald	Schultz	Wiener
Bliss	Franson	Johnson, W.	Mekeland	Schwartz	
Davis	Gillman	Joy	Murphy	Sexton	

The bill was repassed, as amended by Conference, and its title agreed to.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2433, A bill for an act relating to education finance; modifying provisions for prekindergarten through grade 12 education; providing funding for general education, education excellence, teachers, American Indian education, special education, facilities, school nutrition, libraries, early childhood education, community education and lifelong learning, state agencies, and the Read Act; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 120B.118; 120B.119, subdivisions 2a, 4, 10, 15, by adding a subdivision; 120B.12, subdivisions 2, 3, 4, 4a, by adding a subdivision; 120B.123, subdivisions 1, 5, 7, by adding a subdivision; 120B.124, subdivisions 1, 5, 6, by adding a subdivision; 122A.091, subdivision 1; 122A.092, subdivision 5; 122A.185, subdivision 1; 122A.63, subdivision 9; 123A.485, subdivision 2; 123B.595,

subdivisions 1, 4, 8, 10; 123B.71, subdivision 8; 123B.92, subdivision 1; 124D.111, subdivision 3; 124D.119, subdivision 1; 124D.42, subdivisions 8, 9; 124D.901; 124E.20, subdivision 1; 125A.76, subdivision 2a; 126C.10, subdivisions 1, 2e; 126C.13, subdivision 4; 126C.15, subdivision 2; 126C.17, subdivisions 7a, 7b; 126C.40, subdivision 1, by adding a subdivision; 126C.43, subdivision 2; 126C.45; 127A.47, subdivision 7; 268.085, subdivision 7, by adding subdivisions; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 7, as amended, 9, as amended, 17, as amended; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 9, as amended, 12; article 2, section 64, subdivisions 2, as amended, 6, as amended, 16, as amended, 21, as amended, 23, as amended, 34; article 3, section 11, subdivision 2; article 4, section 21, subdivisions 2, as amended, 5, as amended; article 5, section 64, subdivisions 3, as amended, 14, as amended; article 7, section 18, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 7, as amended; article 8, section 19, subdivision 6, as amended; article 9, section 18, subdivisions 4, as amended, 8, as amended; article 11, section 11, subdivisions 2, as amended, 3, as amended, 10, as amended; Laws 2024, chapter 109, article 4, section 19; Laws 2024, chapter 115, article 3, section 8, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 127A; repealing Minnesota Statutes 2024, section 124D.992.

THOMAS S. BOTTERN, Secretary of the Senate

Pursuant to Rule 10.05, relating to Remote House Operations, the DFL Caucus Leader permitted the following member to vote via remote means for the remainder of today's session: Acomb.

CONCURRENCE AND REPASSAGE

Youakim moved that the House concur in the Senate amendments to H. F. No. 2433 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2433, A bill for an act relating to education finance; modifying the calculation of compensatory aid for fiscal year 2027; modifying the allocation of compensatory aid for fiscal year 2028; requiring anonymous threat reporting systems; providing anonymous threat reporting system grants to schools; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.321, by adding a subdivision; 13.82, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 126C.10, subdivision 3; 126C.15, subdivision 2; Laws 2025, First Special Session chapter 10, article 1, section 28, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 121A.

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 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Acomb	Bierman	Duran	Gillman	Hollins	Keeler
Agbaje	Bliss	Elkins	Gomez	Howard	Klevorn
Allen	Buck	Falconer	Gordon	Hudson	Knudsen
Altendorf	Burkel	Feist	Gottfried	Huot	Koegel
Anderson, P. E.	Carroll	Finke	Greene	Hussein	Kotyza-Witthuhn
Anderson, P. H.	Cha	Fischer	Greenman	Igo	Kozlowski
Backer	Clardy	Fogelman	Hansen, R.	Jacob	Kraft
Bahner	Coulter	Franson	Hanson, J.	Johnson, P.	Kresha
Bakeberg	Curran	Frazier	Harder	Johnson, W.	Lawrence
Baker	Davids	Frederick	Heintzeman	Jones	Lee, F.
Bennett	Dippel	Freiberg	Hicks	Jordan	Lee, K.
Berg	Dotseth	Gander	Hill	Joy	Lee, X.

Liebling	Myers	Pérez-Vega	Robbins	Stephenson	Wiener
Lillie	Nadeau	Perryman	Rymer	Stier	Witte
Long	Nash	Pinto	Schomacker	Swedzinski	Wolgamott
Luger-Nikolai	Nelson	Pursell	Schultz	Tabke	Xiong
Mahamoud	Niska	Quam	Schwartz	Torkelson	Youakim
McDonald	Noor	Rarick	Scott	Van Binsbergen	Zeleznikar
Mekeland	Norris	Rehm	Sencer-Mura	Vang	Spk. Demuth
Moller	Novotny	Rehrauer	Sexton	Virnig	
Mueller	O'Driscoll	Repinski	Skraba	Warwas	
Murphy	Olson	Reyer	Smith	West	

Those who voted in the negative were:

Engen	Koznick	Roach

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the reappointment of the Conference Committee on H. F. No. 2438 and the re-reference of said bill to that committee for further consideration:

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; 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 1, 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.

The Senate has appointed as such a committee:

Senators Rest, Dibble, Hemmingsen-Jaeger, Hauschild and Weber.

H. F. No. 2438 is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 4252, A bill for an act relating to higher education; modifying student aid reporting requirements; requiring additional accommodations for parenting students; modifying American Indian Scholars program eligibility; modifying provisions related to private career schools, private and out-of-state postsecondary institutions, unemployment insurance aid, and developmental courses; allowing denial of funding due to fraud; authorizing a lease agreement for construction of a sports facility; specifying handling of uncashed distribution checks; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a subdivision; 136A.64, subdivisions 1, 5; 136A.65, subdivision 8; 136A.653, subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10, 12, by adding subdivisions; 136A.823, subdivisions 1, 3; 136A.826, subdivision 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions 1, 3; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision; 268.193, subdivision 2; Minnesota Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246, subdivision 1a; 136A.69, subdivision 1; 136A.82, subdivision 1; 136A.821, subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.824, subdivisions 1, 2; 136A.833, subdivisions 1, 2; Laws 2025, First Special Session chapter 5, article 1, section 3, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b, 2; 136A.834, subdivisions 2, 3, 4; 136G.03, subdivision 11; 136G.09, subdivision 10; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 4515.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 4515, A bill for an act relating to lawful gambling; modifying certain prize and ticket limits; amending Minnesota Statutes 2024, section 349.211, subdivision 2b.

The bill was read for the first time.

Nash moved that S. F. No. 4515 and H. F. No. 4090, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Pursuant to rule 1.50, Niska moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 2354 was reported to the House.

Norris moved to amend H. F. No. 2354, the fourth engrossment, as follows:

Page 1, after line 9, insert:

"ARTICLE 1
MEDICAL ASSISTANCE FRAUD PREVENTION"

Page 1, line 20, after "records" insert "relating to an investigation conducted under the attorney general's authority under section 256B.12"

Page 1, line 23, after "settlement" insert "relating to an investigation conducted under the attorney general's authority under section 256B.12"

Page 11, line 11, delete "The"

Page 11, delete lines 12 to 14

Page 11, after line 16, insert:

"ARTICLE 2
CONFORMING CHANGES

Section 1. Minnesota Statutes 2025 Supplement, section 145A.061, subdivision 3, is amended to read:

Subd. 3. **Denial of service.** The commissioner may deny an application from any applicant who has been convicted of any of the following crimes:

Section 609.185 (murder in the first degree); section 609.19 (murder in the second degree); section 609.195 (murder in the third degree); section 609.20 (manslaughter in the first degree); section 609.205 (manslaughter in the second degree); section 609.25 (kidnapping); section 609.2661 (murder of an unborn child in the first degree); section 609.2662 (murder of an unborn child in the second degree); section 609.2663 (murder of an unborn child in the third degree); section 609.342 (criminal sexual conduct in the first degree); section 609.343 (criminal sexual conduct in the second degree); section 609.344 (criminal sexual conduct in the third degree); section 609.345 (criminal sexual conduct in the fourth degree); section 609.3451 (criminal sexual conduct in the fifth degree); section 609.3453 (criminal sexual predatory conduct); section 609.352 (solicitation of children to engage in sexual conduct); section 609.352 (communication of sexually explicit materials to children); section 609.365 (incest); section 609.377 (felony malicious punishment of a child); section 609.378 (felony neglect or endangerment of a child); section 609.561 (arson in the first degree); section 609.562 (arson in the second degree); section 609.563 (arson in the third degree); section 609.749, subdivision 3, 4, or 5 (felony harassment or stalking); section 152.021 (controlled substance crimes in the first degree); section 152.022 (controlled substance crimes in the second degree); section 152.023 (controlled substance crimes in the third degree); section 152.024 (controlled substance crimes in the fourth degree); section 152.025 (controlled substance crimes in the fifth degree); section 243.166 (violation of predatory offender registration law); section 617.23, subdivision 2, clause (1), or subdivision 3, clause (1) (indecent exposure involving a minor); section 617.246 (use of minors in sexual performance); section 617.247 (possession of child sexual abuse material); section 609.221 (assault in the first degree); section 609.222 (assault in the second

degree); section 609.223 (assault in the third degree); section 609.2231 (assault in the fourth degree); section 609.224 (assault in the fifth degree); section 609.2242 (domestic assault); section 609.2247 (domestic assault by strangulation); section 609.228 (great bodily harm caused by distribution of drugs); section 609.23 (mistreatment of persons confined); section 609.231 (mistreatment of residents or patients); section 609.2325 (criminal abuse); section 609.233 (criminal neglect); section 609.2335 (financial exploitation of a vulnerable adult); section 609.234 (failure to report); section 609.24 (simple robbery); section 609.245 (aggravated robbery); section 609.247 (carjacking); section 609.255 (false imprisonment); section 609.322 (solicitation, inducement, and promotion of prostitution and sex trafficking); section 609.324, subdivision 1 (hiring or engaging minors in prostitution); section 609.465 (presenting false claims to a public officer or body); Minnesota Statutes 2024, section 609.466 or section 609.467 (medical assistance fraud); section 609.52 (felony theft); section 609.82 (felony fraud in obtaining credit); section 609.527 (felony identity theft); section 609.582 (felony burglary); section 609.611 (felony insurance fraud); section 609.625 (aggravated forgery); section 609.63 (forgery); section 609.631 (felony check forgery); section 609.66, subdivision 1e (felony drive-by shooting); section 609.71 (felony riot); section 609.713 (terroristic threats); section 609.72, subdivision 3 (disorderly conduct by a caregiver against a vulnerable adult); section 609.821 (felony financial transaction card fraud); section 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); or aiding and abetting, attempting, or conspiring to commit any of the offenses in this subdivision.

Sec. 2. Minnesota Statutes 2024, section 214.10, subdivision 2a, is amended to read:

Subd. 2a. **Proceedings.** A board shall initiate proceedings to suspend or revoke a license or shall refuse to renew a license of a person licensed by the board who is convicted in a court of competent jurisdiction of violating section 609.2231, subdivision 8, 609.23, 609.231, 609.2325, 609.233, 609.2335, 609.234, 609.465, Minnesota Statutes 2024, section 609.466, section 609.467, 609.52, or 609.72, subdivision 3.

Sec. 3. Minnesota Statutes 2024, section 245C.15, subdivision 2, is amended to read:

Subd. 2. **15-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than 15 years have passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a felony-level violation of any of the following offenses: sections 152.021, subdivision 1 or 2b, (aggravated controlled substance crime in the first degree; sale crimes); 152.022, subdivision 1 (controlled substance crime in the second degree; sale crimes); 152.023, subdivision 1 (controlled substance crime in the third degree; sale crimes); 152.024, subdivision 1 (controlled substance crime in the fourth degree; sale crimes); 256.98 (wrongfully obtaining assistance); 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 518B.01, subdivision 14 (violation of an order for protection); 609.165 (felon ineligible to possess firearm); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.215 (suicide); 609.223 or 609.2231 (assault in the third or fourth degree); repeat offenses under 609.224 (assault in the fifth degree); 609.229 (crimes committed for benefit of a gang); 609.2325 (criminal abuse of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree); 609.255 (false imprisonment); 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); 609.27 (coercion); 609.275 (attempt to coerce); Minnesota Statutes 2024, section 609.466 or section 609.467 (medical assistance fraud); 609.495 (aiding an offender); 609.498, subdivision 1 or 1b (aggravated first-degree or first-degree tampering with a witness); 609.52 (theft); 609.521 (possession of shoplifting gear); 609.522 (organized retail theft); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.562 (arson in the second degree); 609.563 (arson in the third degree); 609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance fraud); 609.625 (aggravated forgery); 609.63 (forgery); 609.631 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense); 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.687 (adulteration); 609.71 (riot); 609.713 (terroristic threats); 609.746 (interference with privacy); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; repeat offenses under 617.241 (obscene materials and performances; distribution and exhibition prohibited; penalty); or 624.713 (certain persons not to possess firearms).

(b) An individual is disqualified under section 245C.14 if less than 15 years has passed since the 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.

(c) An individual is disqualified under section 245C.14 if less than 15 years has passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or subdivision 3.

(d) An individual is disqualified under section 245C.14 if less than 15 years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of the offenses listed in paragraph (a) or since the termination of parental rights in any other state or country, the elements of which are substantially similar to the elements listed in paragraph (c).

(e) If the individual studied commits one of the offenses listed in paragraph (a), 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 the gross misdemeanor or misdemeanor disposition.

(f) 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.

Sec. 4. Minnesota Statutes 2024, section 245C.15, subdivision 3, is amended to read:

Subd. 3. **Ten-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than ten years have passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a gross misdemeanor-level violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 260B.425 (criminal jurisdiction for contributing to status as a juvenile petty offender or delinquency); 260C.425 (criminal jurisdiction for contributing to need for protection or services); 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.221 or 609.222 (assault in the first or second degree); 609.223 or 609.2231 (assault in the third or fourth degree); 609.224 (assault in the fifth degree); 609.224, subdivision 2, paragraph (c) (assault in the fifth degree by a caregiver against a vulnerable adult); 609.2242 and 609.2243 (domestic assault); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal neglect of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.265 (abduction); 609.275 (attempt to coerce); 609.324, subdivision 1a (other prohibited acts; minor engaged in prostitution); 609.33 (disorderly house); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); Minnesota Statutes 2024, section 609.466 or section 609.467 (medical assistance fraud); 609.52 (theft); 609.522 (organized retail theft); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance fraud); 609.631 (check forgery; offering a forged check); 609.66 (dangerous weapons); 609.71 (riot); 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); 609.749, subdivision 2 (harassment); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; 617.241 (obscene materials and performances); 617.243 (indecent literature, distribution); 617.293 (harmful materials; dissemination and display to minors prohibited); or Minnesota Statutes 2012, section 609.21; or violation of an order for protection under section 518B.01, subdivision 14.

(b) An individual is disqualified under section 245C.14 if less than ten years has passed since the 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.

(c) An individual is disqualified under section 245C.14 if less than ten years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in paragraph (a).

(d) If the individual studied commits one of the offenses listed in paragraph (a), but the sentence or level of offense is a misdemeanor disposition, the individual is disqualified but the disqualification lookback period for the offense is the period applicable to misdemeanors.

(e) 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.

Sec. 5. Minnesota Statutes 2024, section 245C.15, subdivision 4, is amended to read:

Subd. 4. **Seven-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than seven years has passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a misdemeanor-level violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 260B.425 (criminal jurisdiction for contributing to status as a juvenile petty offender or delinquency); 260C.425 (criminal jurisdiction for contributing to need for protection or services); 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.224 (assault in the fifth degree); 609.2242 (domestic assault); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.2672 (assault of an unborn child in the third degree); 609.27 (coercion); violation of an order for protection under 609.3232 (protective order authorized; procedures; penalties); Minnesota Statutes 2024, section 609.466 or section 609.467 (medical assistance fraud); 609.52 (theft); 609.522 (organized retail theft); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.611 (insurance fraud); 609.66 (dangerous weapons); 609.665 (spring guns); 609.746 (interference with privacy); 609.79 (obscene or harassing telephone calls); 609.795 (letter, telegram, or package; opening; harassment); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; 617.293 (harmful materials; dissemination and display to minors prohibited); or Minnesota Statutes 2012, section 609.21; or violation of an order for protection under section 518B.01 (Domestic Abuse Act).

(b) An individual is disqualified under section 245C.14 if less than seven years has passed since a determination or disposition of the individual's:

(1) failure to make required reports under section 260E.06 or 626.557, subdivision 3, for incidents in which: (i) the final disposition under section 626.557 or chapter 260E was substantiated maltreatment, and (ii) the maltreatment was recurring or serious; or

(2) 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 section 626.557 or chapter 260E for which: (i) there is a preponderance of evidence that the maltreatment occurred, and (ii) the subject was responsible for the maltreatment.

(c) An individual is disqualified under section 245C.14 if less than seven years has passed since the 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.

(d) An individual is disqualified under section 245C.14 if less than seven years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in paragraphs (a) and (b).

(e) 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.

(f) An individual is disqualified under section 245C.14 if less than seven years has passed since the individual was disqualified under section 256.98, subdivision 8.

Sec. 6. Minnesota Statutes 2025 Supplement, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Three Rivers Park District Department of Public Safety, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a city, metropolitan transit, or airport police department; or a multijurisdictional entity established under section 299A.642 or 299A.681.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152 or 624;

(2) for driver's license or identification card transactions: any violation of section 171.22; and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.2231; 609.2335; 609.24; 609.245; 609.247; 609.25; 609.255; 609.282; 609.283; 609.322; 609.342, subdivision 1, or subdivision 1a, clauses (a) to (f) and (i); 609.343, subdivision 1, or subdivision 1a, clauses (a) to (f) and (i);

609.344, subdivision 1, or subdivision 1a, clauses (a) to (e), (h), or (i); 609.345, subdivision 1, or subdivision 1a, clauses (a) to (e), (h), and (i); 609.352; 609.42; 609.425; Minnesota Statutes 2024, section 609.466; section 609.467; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324; or a felony violation of, or a felony-level attempt or conspiracy to violate, Minnesota Statutes 2012, section 609.21.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(h) "Prosecuting authority" means the attorney who is responsible for prosecuting an offense that is the basis for a forfeiture under sections 609.531 to 609.5318.

(i) "Asserting person" means a person, other than the driver alleged to have used a vehicle in the transportation or exchange of a controlled substance intended for distribution or sale, claiming an ownership interest in a vehicle that has been seized or restrained under this section.

Sec. 7. Laws 2026, chapter 88, article 1, section 181, is amended to read:

Sec. 181. Minnesota Statutes 2025 Supplement, section 299C.061, subdivision 1, is amended to read:

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

(b) "Fraud involving state funded or administered programs or services" includes any violation of section 609.445, 609.465, Minnesota Statutes 2024, section 609.466, section 609.467, 609.52, 609.611, 609.651, 609.7475, or 609.821 involving a state agency or state-funded or administered program or service.

(c) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

(d) "Section" means the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension.

(e) "State agency" has the meaning given in section 13.02, subdivision 17.

(f) "Superintendent" means the superintendent of the Bureau of Criminal Apprehension."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Norris amendment and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Backer	Bierman	Clardy	Dotseth	Finke
Agbaje	Bahner	Bliss	Coulter	Duran	Fischer
Allen	Bakeberg	Buck	Curran	Elkins	Fogelman
Altendorf	Baker	Burkel	Davids	Engen	Franson
Anderson, P. E.	Bennett	Carroll	Davis	Falconer	Frazier
Anderson, P. H.	Berg	Cha	Dippel	Feist	Frederick

Freiberg	Huot	Kresha	Nadeau	Repinski	Torkelson
Gander	Hussein	Lawrence	Nash	Reyer	Van Binsbergen
Gillman	Igo	Lee, F.	Nelson	Roach	Vang
Gomez	Jacob	Lee, K.	Niska	Robbins	Virnig
Gordon	Johnson, P.	Lee, X.	Noor	Rymer	Warwas
Gottfried	Johnson, W.	Liebling	Norris	Schomacker	West
Greene	Jones	Lillie	Novotny	Schultz	Wiener
Greenman	Jordan	Long	O'Driscoll	Schwartz	Witte
Hansen, R.	Joy	Luger-Nikolai	Olson	Scott	Wolgamott
Hanson, J.	Keeler	Mahamoud	Pérez-Vega	Sencer-Mura	Xiong
Harder	Klevorn	McDonald	Perryman	Sexton	Youakim
Heintzeman	Knudsen	Mekeland	Pinto	Skraba	Zeleznikar
Hicks	Koegel	Moller	Pursell	Smith	Spk. Demuth
Hill	Kotyza-Witthuhn	Momanyi-Hiltsley	Quam	Stephenson	
Hollins	Kozlowski	Mueller	Rarick	Stier	
Howard	Koznick	Murphy	Rehm	Swedzinski	
Hudson	Kraft	Myers	Rehrauer	Tabke	

The motion prevailed and the amendment was adopted.

H. F. No. 2354, A bill for an act relating to consumer protection; adding and modifying provisions governing medical assistance fraud; providing the attorney general certain subpoena and enforcement authority; providing criminal penalties; making conforming changes; appropriating money; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 609.52, subdivision 2; Minnesota Statutes 2025 Supplement, sections 256B.12; 609.902, subdivision 4; 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 2024, section 609.466.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Acomb	Coulter	Gordon	Johnson, W.	Long	Olson
Agbaje	Curran	Gottfried	Jones	Luger-Nikolai	Pérez-Vega
Allen	Davids	Greene	Jordan	Mahamoud	Perryman
Anderson, P. E.	Dotseth	Greenman	Keeler	McDonald	Pinto
Anderson, P. H.	Duran	Hansen, R.	Klevorn	Mekeland	Pursell
Bahner	Elkins	Hanson, J.	Koegel	Moller	Quam
Bakeberg	Engen	Harder	Kotyza-Witthuhn	Momanyi-Hiltsley	Rarick
Baker	Falconer	Heintzeman	Kozlowski	Mueller	Rehm
Bennett	Feist	Hicks	Koznick	Myers	Rehrauer
Berg	Finke	Hill	Kraft	Nadeau	Repinski
Bierman	Fischer	Hollins	Kresha	Nash	Reyer
Bliss	Franson	Howard	Lawrence	Nelson	Robbins
Buck	Frazier	Hudson	Lee, F.	Niska	Schomacker
Burkel	Frederick	Huot	Lee, K.	Noor	Schwartz
Carroll	Freiberg	Hussein	Lee, X.	Norris	Scott
Cha	Gillman	Igo	Liebling	Novotny	Sencer-Mura
Clardy	Gomez	Johnson, P.	Lillie	O'Driscoll	Sexton

Skraba	Swedzinski	Vang	West	Xiong	Spk. Demuth
Smith	Tabke	Virnig	Witte	Youakim	
Stephenson	Torkelson	Warwas	Wolgamott	Zeleznikar	

Those who voted in the negative were:

Altendorf	Dippel	Jacob	Murphy	Schultz	Wiener
Backer	Fogelman	Joy	Roach	Stier	
Davis	Gander	Knudsen	Rymer	Van Binsbergen	

The bill was passed, as amended, and its title agreed to.

ADJOURNMENT

Niska moved that the House adjourn. The motion prevailed, and Speaker pro tempore Olson declared the House stands adjourned until 1:00 p.m., Sunday, May 17, 2026.

PATRICK DUFFY MURPHY, Chief Clerk, House of Representatives