STATE OF MINNESOTA

Journal of the House

NINETY-FOURTH SESSION — 2025

FORTY-FIRST LEGISLATIVE DAY

SAINT PAUL, MINNESOTA, SUNDAY, MAY 18, 2025

The House of Representatives convened at 1:00 p.m. and was called to order by Lisa Demuth, Speaker of the House.

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

A quorum was present.

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

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INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

West; Rymer; Gordon; Schultz; Anderson, P. E., and Mekeland introduced:

H. F. No. 3337, A bill for an act relating to sports betting; proposing an amendment to the Minnesota Constitution by adding a section to article XIII; authorizing sports betting if conducted by a horse racing track or Indian Tribe; requiring a certain tax to be imposed on sports betting.

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

McDonald introduced:

H. F. No. 3338, A bill for an act relating to transportation; appropriating money for intersection improvements along Trunk Highway 24 in Wright County; authorizing the sale and issuance of state bonds.

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

Pursell; Fischer; Finke; Hansen, R.; Jordan; Falconer; Kraft; Acomb; Hollins; Pérez-Vega; Tabke; Jones; Lee, K.; Sencer-Mura; Frazier; Greenman; Gottfried; Hill; Freiberg; Rehrauer; Lee, F.; Carroll; Vang; Hanson, J.; Curran; Gomez; Xiong; Smith; Rehm; Liebling; Berg; Mahamoud; Howard; Reyer and Feist introduced:

H. F. No. 3339, A bill for an act relating to environment; reinstating citizen membership for Pollution Control Agency; amending Minnesota Statutes 2024, sections 116.02; 116.03, subdivisions 1, 2a.

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

Quam introduced:

H. F. No. 3340, A bill for an act relating to campaign finance; prohibiting foreign nationals from contributing to or providing independent expenditures for ballot questions; amending Minnesota Statutes 2024, section 10A.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 10A.

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

Skraba introduced:

H. F. No. 3341, A bill for an act relating to capital investment; appropriating money for wastewater treatment facility improvements in the city of Grand Marais; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Hollins introduced:

H. F. No. 3342, A bill for an act relating to capital investment; appropriating money for replacement of the Randolph Avenue bridge in the city of St. Paul; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Pérez-Vega and Hollins introduced:

H. F. No. 3343, A bill for an act relating to capital investment; appropriating money for replacement of the eastbound Kellogg Boulevard bridge in the city of St. Paul; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Reyer; Curran; Hollins; Keeler; Finke; Hanson, J.; Berg; Clardy; Pérez-Vega; Mahamoud; Agbaje; Frederick; Gottfried; Virnig; Hemmingsen-Jaeger; Jones; Lee, K.; Frazier; Hicks; Xiong; Jordan; Pursell; Kozlowski; Smith; Sencer-Mura; Noor; Gomez; Feist; Liebling; Carroll; Lee, F.; Her; Greenman; Kraft and Falconer introduced:

H. F. No. 3344, A bill for an act relating to human services; modifying rights and protections for residents of certain long-term care settings; modifying rights and protections for clients receiving home care services and rights and protections for home and community-based services recipients; requiring training; prohibiting certain arbitration provisions; requiring certain notices; authorizing civil actions; appropriating money; amending Minnesota Statutes 2024, sections 144.651, subdivisions 2, 6, 12, 15, 16, 22, 26, 28, 29, by adding subdivisions; 144.652, subdivision 2, by adding a subdivision; 144A.43, by adding subdivisions; 144A.44, subdivision 1, by adding a subdivision; 144A.472, subdivision 1; 144A.474, subdivision 11; 144A.4791, subdivisions 1, 11, by adding a subdivision; 144A.4796, subdivisions 2, 6, 7, by adding a subdivision; 144G.08, by adding subdivisions; 144G.31, subdivision 4; 144G.63, subdivision 7; 144G.90, subdivision 1; 144G.91, subdivisions 4, 5, 10, 12, 13, 15, 17, by adding subdivisions; 245A.07, subdivision 3, as amended; 245D.02, by adding subdivisions; 245D.04; 245D.09, subdivisions 4, 5, by adding a subdivision; 245D.095, subdivision 5; 245D.21, by adding a subdivision; 256.9742, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; 144G.

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

Schultz, Gillman, Heintzeman, West, Van Binsbergen, Niska and Davids introduced:

H. F. No. 3345, A bill for an act relating to consumer protection; providing for consumer choice of fuel; modifying certain rulemaking authority; eliminating Clean Car rules; amending Minnesota Statutes 2024, section 116.07, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 14; 15; repealing Minnesota Rules, parts 7023.0150; 7023.0200; 7023.0250; 7023.0300.

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

Hansen, R., and Franson introduced:

H. F. No. 3346, A bill for an act relating to higher education; establishing a campus closure and consolidation commission; proposing coding for new law in Minnesota Statutes, chapter 136F.

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 2446

A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agricultural provisions; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.133, subdivision 2; 18B.01, subdivision 1d, by adding a subdivision; 18B.30; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 18C.

May 18, 2025

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. 2446 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. 2446 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **AGRICULTURE 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. **DEPARTMENT OF AGRICULTURE**		
Subdivision 1. **Total Appropriation**	**$58,957,000**	**$56,052,000**

Appropriations by Fund

	2026	2027
General	58,558,000	55,653,000
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.

Subd. 2. **Protection Services**

	Appropriations by Fund	
General	20,828,000	21,207,000
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) $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) $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) $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) $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.

Subd. 3. **Agricultural Marketing and Development** 22,851,000 22,601,000

(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) $18,257,000 the first year and $18,007,000 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.

(e) Except as provided in paragraph (f), the commissioner may allocate the appropriation in paragraph (d) 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 (d) for costs incurred to administer the program.

(f) 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.

(g) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph (d) 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 (f), clause (10).

Subd. 4.	**Administration and Financial Assistance**	14,879,000	11,845,000

(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 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 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) $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) $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.

(s) $700,000 the first year and $700,000 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.

(t) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

Sec. 3. **BOARD OF ANIMAL HEALTH** **$6,675,000** **$6,800,000**

$265,000 the first year and $390,000 the second year are to maintain the current level of service delivery.

Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE** **$4,388,000** **$4,434,000**

$45,000 the first year and $91,000 the second year are to maintain the current level of service delivery.

Sec. 5. **TRANSFERS; ADMINISTRATION.**

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Agriculture as the commissioner of agriculture considers necessary, with the advanced approval of the commissioner of management and budget. The commissioner of agriculture shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance quarterly about the transfers made under this section.

Sec. 6. **TRANSFERS.**

(a) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer $1,500,000 in fiscal year 2026 from the general fund to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(b) Of the amount transferred to the agricultural emergency account under Minnesota Statutes, section 17.041, up to $750,000 may be used for the following purposes:

(1) to test milk, milk products, poultry products, and pet food before retail sale for the presence of avian influenza;

(2) to transfer money to the commissioner of health for biomonitoring for the presence of avian influenza in agricultural workers, farm workers, and poultry or livestock processing employees who volunteer to participate; and

(3) to transfer money to the Board of Regents of the University of Minnesota to develop rapid testing, quantification, and human exposure risk assessment models for avian influenza in urban wastewater treatment processes, drinking water treatment processes, and public and private wells.

Prior to using or transferring money under this paragraph, the commissioner of agriculture must communicate the intended use and the estimated amount of money to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance.

(c) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer $100,000 in fiscal year 2026 and $100,000 in fiscal year 2027 from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051. The commissioner of management and budget must include a transfer of $100,000 each year from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(d) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer $186,000 in fiscal year 2026 and $186,000 in fiscal year 2027 from the general fund to the Minnesota grown account under Minnesota Statutes, section 17.102, subdivision 4. The transferred money may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2027, for Minnesota grown grants in this paragraph are available until June 30, 2029. The commissioner of management and budget must include a transfer of $186,000 each year from the general fund to the Minnesota grown account established under Minnesota Statutes, section 17.102, subdivision 4, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(e) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer $10,677,000 in fiscal year 2026 and $10,677,000 in fiscal year 2027 from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, for purposes of the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14. The commissioner of agriculture shall transfer money each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), and must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this transfer for costs incurred to administer this program. Of the amount transferred for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) $600,000 in fiscal year 2026 and $600,000 in fiscal year 2027 are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to $1,000,000 in fiscal year 2026 and up to $1,000,000 in fiscal year 2027 are for research on avian influenza, salmonella, and other turkey related diseases and disease prevention measures;

(3) $2,500,000 in fiscal year 2026 and $2,500,000 in fiscal year 2027 are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants. This allocation is $2,250,000 in fiscal year 2028 and each year thereafter;

(4) $350,000 in fiscal year 2026 and $350,000 in fiscal year 2027 are for potato research;

(5) $802,000 in fiscal year 2026 and $802,000 in fiscal year 2027 are to fund the Forever Green Initiative and protect Minnesota's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter annual crops into existing agricultural practices. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the money in this clause, including administrative costs, and the achievements this money contributed to;

(6) $200,000 in fiscal year 2026 and $200,000 in fiscal year 2027 are for research on natural stands of wild rice;

(7) $250,000 in fiscal year 2026 and $250,000 in fiscal year 2027 are for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist;

(8) $290,000 in fiscal year 2026 is for the Board of Regents of the University of Minnesota for purposes of research on crop contamination and exposure to prions deposited by animals infected with chronic wasting disease. This is a onetime allocation; and

(9) $75,000 in fiscal year 2026 and $75,000 in fiscal year 2027 are for grants to the Southwest Minnesota State University Foundation to support the Minnesota Agriculture and Rural Leadership program. This is a onetime allocation.

The commissioner of management and budget must include a transfer of $10,352,000 each year from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(f) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer $1,425,000 in fiscal year 2026 and $1,425,000 in fiscal year 2027 from the general fund to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest or no-interest loans issued through the agriculture best management practices loan program under Minnesota Statutes, section 17.117. The commissioner of management and budget must include a transfer of $1,425,000 each year from the general fund to the agricultural and environmental revolving loan account under Minnesota Statutes, section 17.117, subdivision 5a, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(g) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer $500,000 in fiscal year 2026 from the grain indemnity account under Minnesota Statutes, section 223.24, subdivision 1, in the agricultural fund to the grain buyers and storage account under Minnesota Statutes, section 232.22, subdivision 3, in the agricultural fund.

Sec. 7. **CANCELLATIONS.**

(a) $3,000,000 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.

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

Sec. 8. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended by Laws 2022, chapter 95, article 1, section 1, is amended to read:

Subd. 4. **Agriculture, Bioenergy, and Bioproduct Advancement**	25,343,000	27,257,000
(a) $9,300,000 the first year and $9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least $600,000 the		

first year and $600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); $2,000,000 the first year and $2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; $350,000 the first year and $350,000 the second year are for potato breeding; and $450,000 the first year and $450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to $1,000,000 each year is for research on avian influenza, salmonella, and other turkey-related diseases. By January 15, 2023, entities receiving grants for potato breeding and wild rice breeding are requested to report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and higher education regarding the use of the grant money and to provide an update on the status of research and related accomplishments.

To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) $16,028,000 the first year and $17,928,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; providing funding not to exceed $800,000 each year to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in school and child care settings including, at the commissioner's discretion, reimbursing schools for purchases from local farmers; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; providing funding not to exceed $600,000 each year for urban youth agricultural education or urban agriculture community development of which $10,000 each year is for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a; providing funding not to exceed $450,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, 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; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

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) $4,500,000 the first year and $5,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2023, and the second year appropriation is available until June 30, 2024. 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. The base appropriation under this clause is $5,750,000 in fiscal year 2024 and thereafter;

(3) $3,000,000 the first year and $3,000,000 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 10 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 it contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of 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) $750,000 the first year and $1,400,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The base appropriation under this clause is $250,000 in fiscal year 2024 and thereafter; and

(5) $1,400,000 the first year and $1,400,000 the second year are for livestock investment grants under Minnesota Statutes, section 17.118. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The appropriations under this clause are onetime.

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, and~~ this appropriation 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, ~~2023~~ 2029, for agricultural growth, research, and innovation grants are available until June 30, ~~2026~~ 2032.

The base amount for the agricultural growth, research, and innovation program is $17,553,000 in fiscal year 2024 and $17,553,000 in fiscal year 2025, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

(c) $15,000 the first year and $29,000 the second year are to maintain the current level of service delivery.

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

Sec. 9. Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws 2024, chapter 126, article 1, section 1, is amended to read:

Subd. 4. **Agriculture, Bioenergy, and Bioproduct Advancement**	34,034,000	38,159,000

(a) $10,702,000 the first year and $10,702,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14.

Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) $600,000 the first year and $600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to $1,000,000 the first year and up to $1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) $2,250,000 the first year and $2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) $450,000 the first year is for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) $350,000 the first year and $350,000 the second year are for potato breeding;

(6) $802,000 the first year and $802,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under this clause is $802,000 in fiscal year 2026 and each year thereafter. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to;

(7) $350,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime;

(8) $200,000 the second year is for research on natural stands of wild rice; and

(9) $250,000 the second year is for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist.

(b) The base for the agriculture research, education, extension, and technology transfer program is $10,352,000 in fiscal year 2026 and $10,352,000 in fiscal year 2027.

(c) $23,332,000 the first year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, 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 start-up, 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; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

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 is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) $5,750,000 the first year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year

appropriation is available until June 30, 2025. 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) $3,375,000 the first year is 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 10 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 of 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) $1,250,000 the first year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph;

(5) $1,150,000 the first year is 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. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, $150,000 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;

(6) $2,000,000 the first year is for urban youth agricultural education or urban agriculture community development;

(7) $1,000,000 the first year is for the good food access program under Minnesota Statutes, section 17.1017; and

(8) $225,000 the first year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

(i) equipment required for a meat cutting program;

(ii) facility renovation to accommodate meat cutting; and

(iii) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to $75,000 and may use up to ten percent of the grant for faculty training. Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities institutions or with local industry partners.

By January 15, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2025, the commissioner must submit an additional report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2025.

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, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) $27,457,000 the second year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, 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 start-up, 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; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) $1,000,000 the second year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) $5,750,000 the second year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. 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. The base under this clause is $3,000,000 in fiscal year 2026 and each year thereafter;

(3) $3,375,000 the second year is 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 ten 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 of 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 money 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. The base under this clause is $3,000,000 for fiscal year 2026 and each year thereafter;

(4) $1,250,000 the second year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2027, and may be used for other purposes under this paragraph. The base under this clause is $250,000 in fiscal year 2026 and each year thereafter;

(5) $1,275,000 the second year is 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. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, $150,000 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 under this clause is $1,294,000 in fiscal year 2026 and each year thereafter;

(6) $4,000,000 the second year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating farm, at a rate determined

by the commissioner within the limits of available funding. Any unencumbered balance on June 30, 2026, may be used for other purposes under this paragraph. The allocation in this clause is onetime;

(7) $2,000,000 the second year is for urban youth agricultural education or urban agriculture community development;

(8) $1,000,000 the second year is for the good food access program under Minnesota Statutes, section 17.1017; and

(9) $225,000 the second year is 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 paragraph, 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. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) Notwithstanding Minnesota Statutes, section 16A.28, ~~this~~ the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2027. Appropriations encumbered under contract on or before June 30, 2027, for agricultural growth, research, and innovation grants are available until June 30, 2030.

~~(e)~~ (f) The base for the agricultural growth, research, and innovation program is $17,582,000 in fiscal year 2026 and each year thereafter and includes $200,000 each year for cooperative development grants.

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

ARTICLE 2
BROADBAND

Section 1. **BROADBAND DEVELOPMENT 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. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**	**$1,001,000**	**$1,001,000**

$1,001,000 each year is for the Office of Broadband Development.

ARTICLE 3
POLICY PROVISIONS

Section 1. Minnesota Statutes 2024, section 17.1017, is amended to read:

17.1017 ~~GOOD~~ FOOD ~~ACCESS~~ RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language or context indicates that a different meaning is intended, the following terms have the meanings given them.

(b) "Account" means the ~~good~~ food ~~access~~ retail improvement and development account established in subdivision 3.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Economic or community development financial institution (ECDFI)" means a lender, including but not limited to a community development financial institution (CDFI), an economic development district (EDD), a political subdivision of the state, a microenterprise firm, or a nonprofit community lending organization that has previous experience lending to a food retailer, producer, or another healthy food enterprise ~~in an underserved community in a low-income or moderate-income area~~, as defined in this section~~; has been in existence and operating prior to January 1, 2014~~; has demonstrated the ability to raise matching capital and in-kind services to leverage appropriated money; has the demonstrated ability to underwrite loans and grants; and has partnered previously with nonprofit healthy food access, public health, or related governmental departments or community organizations.

(e) "Farmers' market" means an association of three or more persons who assemble at a defined location that is open to the public for the purpose of selling directly to the consumer the products of a farm or garden occupied and cultivated by the person selling the product.

(f) "Financing" means loans, including low-interest loans, zero-interest loans, forgivable loans, and other types of financial assistance other than grants.

(g) "Food hub" means a centrally located facility with a business management structure that facilitates the aggregation, storage, processing, distribution, marketing, and sale of locally or regionally produced food products, and which may include a small-scale retail grocery operation.

~~(h) "Good Food Access Program Advisory Committee" means the Good Food Access Program Advisory Committee under section 17.1018.~~

(h) "Food Retail Improvement and Development Program Advisory Committee" means the Food Retail Improvement and Development Program Advisory Committee under section 17.1018.

(i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also sell household products, sundries, and other products. Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery establishment and may include a mobile food market or a delivery service operation.

(j) "Low-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census that has a poverty rate of at least 20 percent or in which the median family income does not exceed 80 percent of the greater of the statewide or metropolitan median family income.

(k) "Moderate-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census in which the median family income is between 81 percent and 95 percent of the median family income for that area.

(l) "Mobile food market" means a self-contained for-profit, not-for-profit, or cooperative retail grocery operation located in a movable new or renovated truck, bus, or other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal supply of cooking utensils and equipment and other household products and sundries.

(m) "Program" means the ~~good~~ food ~~access~~ retail improvement and development program established in this section.

(n) "Small food retailer" means a small-scale retail food outlet, other than a grocery store as defined in this section. Small food retailer includes, but is not limited to, a corner store, convenience store, farmers' market, mobile food market, and a retail food outlet operated by an emergency food program or food hub.

(o) "Technical assistance" means needs-based project assistance provided through the program, including sustainability-focused individualized guidance, presentations, workshops, trainings, printed materials, mentorship opportunities, peer-to-peer opportunities, or other guidance and resources on relevant topics such as business planning, sales projections, cash flow, succession planning, financing, fundraising, marketing, food preparation demonstrations, and workforce training.

(p) "Underserved community" means a ~~census tract that is federally designated as a food desert by the United States Department of Agriculture, or a census tract in a low-income or moderate-income area that includes a substantial subpopulation such as the elderly or the disabled that has low supermarket access, regardless of distance, due to lack of transportation~~ geographic area or group of people whose food access needs are not met by existing retail options, including a low-income and moderate-income area, a census tract that is federally designated as a food desert by the United States Department of Agriculture, an area where there is a limited number of grocery stores, or a group of people with particular needs such as the aging population, people with disabilities, or people with special dietary needs or preferences, or as otherwise defined by the commissioner.

Subd. 2. **Program established.** (a) A ~~good~~ food ~~access~~ retail improvement and development program is established within the Department of Agriculture to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income areas~~ by providing financial support and sustainable public-private projects to open, renovate, or expand the operations of grocery stores and small food retailers; expanding access to credit and reducing barriers to investment in underserved communities ~~in low- and moderate-income areas;~~ and to provide technical assistance, primarily for small food retailers with demonstrated need, to increase availability and sustainable sales of affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, to underserved communities in low-income and moderate-income areas. The commissioner, in cooperation with public and private partners, shall establish and implement the program as provided in this section.

(b) The ~~good~~ food ~~access~~ retail improvement and development program shall be comprised of state or private grants, loans, or other types of financial and technical assistance for the establishment, construction, expansion of operations, or renovation of grocery stores and small food retailers to increase the availability of and access to affordable fresh produce and other nutritious, culturally appropriate food to underserved communities ~~in low-income and moderate-income areas~~.

Subd. 3. **~~Good~~ Food ~~access~~ retail improvement and development account.** A ~~good~~ food ~~access~~ retail improvement and development account is established in the agricultural fund. The account consists of money appropriated by the legislature to the commissioner, as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account, including interest, is appropriated to the commissioner for the purposes of this section, and shall be used, to the extent practicable, to leverage other forms of public and private financing or financial assistance for the projects.

Subd. 4. **Program administration.** (a) The commissioner shall be the administrator of the account for auditing purposes and shall establish program requirements and a competitive process for projects applying for financial and technical assistance.

(b) The commissioner may receive money or other assets from any source, including but not limited to philanthropic foundations and financial investors, for deposit into the account.

(c) Through issuance of requests for proposals, the commissioner may contract with one or more qualified economic or community development financial institutions to manage the financing component of the program and with one or more qualified organizations or public agencies with financial or other program-related expertise to manage the provision of technical assistance to project grantees.

(d) Money in the account at the close of each fiscal year shall remain in the account and shall not cancel. In each biennium, the commissioner shall determine the appropriate proportion of money to be allocated to loans, grants, technical assistance, and any other types of financial assistance.

(e) To encourage public-private, cross-sector collaboration and investment in the account and program and to ensure that the program intent is maintained throughout implementation, the commissioner shall convene and maintain the ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee.

(f) The commissioner, in cooperation with the ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee, shall manage the program, establish program criteria, facilitate leveraging of additional public and private investment, and promote the program statewide.

(g) The commissioner, in cooperation with the ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee, shall establish annual monitoring and accountability mechanisms for all projects receiving financing or other financial or technical assistance through this program.

Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program partners and advisers, shall establish project eligibility guidelines and application processes to be used to review and select project applicants for financing or other financial or technical assistance. All projects must ~~be located in~~ serve an underserved community ~~or must serve primarily underserved communities in low-income and moderate-income areas~~.

(b) Projects eligible for financing include, but are not limited to, new construction, renovations, expansions of operations, and infrastructure upgrades of grocery stores and small food retailers to improve the availability of and access to affordable, nutritious food, including fresh fruits and vegetables, and build capacity in areas of greatest need.

(c) Projects eligible for other types of financial assistance such as grants or technical assistance are primarily projects throughout the state, including, but not limited to, feasibility studies, new construction, renovations, expansion of operations, and infrastructure upgrades of small food retailers.

Subd. 6. **Qualifications for receipt of financing and other financial or technical assistance.** (a) An applicant for receipt of financing through an economic or community development financial institution, or an applicant for a grant or other financial ~~or technical~~ assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole proprietorship, limited liability company, corporation, cooperative, nonprofit organization, or nonprofit community development organization. Each applicant must:

(1) demonstrate community engagement in and support for the project;

(2) demonstrate the capacity to successfully implement the project;

(3) demonstrate a viable plan for long-term sustainability, including the ability to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income areas~~; and

(4) demonstrate the ability to repay the debt, to the extent that the financing requires repayment.

(b) Each applicant must also agree to comply with the following conditions for a period of at least five years, except as otherwise specified in this section:

(1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

(2) allocate at least 30 percent of retail space for the sale of affordable, nutritious, and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans; and

(3) comply with all data collection and reporting requirements established by the commissioner~~; and~~.

~~(4) promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color.~~

(c) A selected project that is a small food retailer is not subject to the allocation agreement under paragraph (b), clause (2), and may use financing, grants, or other financial or technical assistance for refrigeration, displays, or onetime capital expenditures for the promotion and sale of perishable foods, including a combination of affordable, nutritious, and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and fish, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans.

Subd. 7. **Additional selection criteria.** In determining which qualified projects to finance, and in determining which qualified projects to provide with grants or other types of financial or technical assistance, the commissioner, in cooperation with any entities with which the commissioner contracts for those purposes and the ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee, ~~shall~~ may also consider:

(1) the level of need in the area to be served;

(2) the degree to which the project requires an investment of public support, or technical assistance where applicable, to move forward, build capacity, create community impact, or be competitive;

(3) the likelihood that the project will have positive economic and health impacts on the underserved community, including creation and retention of jobs for local or regional residents ~~from low-income and moderate-income areas~~ that reflect area demographics, including Indigenous communities and communities of color;

(4) the degree to which the project will participate in state and local health department initiatives to educate consumers on nutrition, promote healthy eating and healthy weight, and support locally grown food products through programs such as Minnesota Grown; and

(5) any other criteria that the commissioner, in cooperation with public and private partners, determines to be consistent with the purposes of this chapter.

Subd. 8. **Eligible costs.** Financing for project loans, including low-interest, zero-interest, and forgivable loans, grants, and other financial or technical assistance, may be used to support one or more of the following purposes:

(1) site acquisition and preparation;

(2) predevelopment costs, including but not limited to feasibility studies, market studies, and appraisals;

(3) construction and build-out costs;

(4) equipment and furnishings;

(5) workforce or retailer training; and

(6) working capital.

Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit an annual report on the good food access program by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The annual report shall include, but not be limited to, a summary of the following metrics:

(1) the number and types of projects financed;

(2) the amount of dollars leveraged or matched per project;

(3) the geographic distribution of financed projects;

(4) the number and types of technical assistance recipients;

~~(5) any market or commodity expansion associated with increased access;~~

~~(6)~~ (5) the demographics of the areas served;

~~(7)~~ (6) the costs of the program;

~~(8)~~ (7) the number of SNAP ~~and WIC~~ dollars spent;

~~(9)~~ (8) any increase in retail square footage;

~~(10)~~ (9) the number of loans or grants to ~~minority-owned or female-owned businesses~~ businesses owned by women and Black, Indigenous, or Persons of Color; and

~~(11)~~ (10) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Sec. 2. Minnesota Statutes 2024, section 17.1018, is amended to read:

17.1018 ~~GOOD~~ FOOD ~~ACCESS~~ RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM ADVISORY COMMITTEE.

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them:

(1) "program" means the good food access program under section 17.1017; and

(2) "commissioner" means the commissioner of agriculture.

Subd. 2. **Creation.** The ~~Good~~ Food ~~Access~~ Retail Improvement and Development Program Advisory Committee consists of the following members, appointed by the commissioner of agriculture, unless otherwise specified:

(1) the commissioners of health~~,~~; employment and economic development~~,~~; and ~~human services~~ children, youth, and families, or their respective designees;

(2) one person representing the grocery industry;

(3) two people representing economic or community development, one rural member and one urban or suburban member;

(4) two people representing political subdivisions of the state;

(5) one person designated by the Council for Minnesotans of African Heritage;

(6) one person designated by the Minnesota Indian Affairs Council;

(7) one person designated by the Council on Asian Pacific Minnesotans;

(8) one person designated by the ~~Chicano Latino Affairs~~ Council on Latino Affairs;

(9) one person designated by the Minnesota Farmers Union;

(10) one person representing public health experts;

(11) one person representing philanthropic foundations;

(12) one person representing economic or community development financial institutions;

(13) one person representing the University of Minnesota Regional Sustainable Development Partnerships;

(14) two people representing organizations engaged in addressing food security, one representative from a statewide hunger relief organization and one from a community-based organization;

(15) one person representing immigrant farmer-led organizations;

(16) one person representing small business technical assistance with experience in food retail; and

(17) up to four additional members with economic development, health equity, financial, or other relevant expertise.

At least half of the members must reside in or their organizations must serve rural Minnesota. The commissioner may remove members and fill vacancies as provided in section 15.059, subdivision 4.

Subd. 3. **Duties.** The advisory committee must advise the commissioner of agriculture on managing the program, establishing program criteria, establishing project eligibility guidelines, establishing application processes and additional selection criteria, establishing annual monitoring and accountability mechanisms, facilitating leveraging of additional public and private investments, and promoting the program statewide.

Subd. 4. **Meetings.** The commissioner must convene the advisory committee at least two times per year to achieve the committee's duties.

Subd. 5. **Administrative support.** The commissioner of agriculture must provide staffing, meeting space, and administrative services for the advisory committee.

Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee shall serve as chair of the committee.

Subd. 7. **Compensation.** The public members of the advisory committee serve without compensation or payment of expenses.

Subd. 8. **Expiration.** The advisory committee does not expire.

Sec. 3. Minnesota Statutes 2024, section 17.117, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan program is to provide low or no interest financing to farmers, agriculture supply businesses, ~~rural~~ landowners, and water-quality cooperatives for the implementation of agriculture and other best management practices that reduce environmental pollution.

Sec. 4. Minnesota Statutes 2024, section 17.117, subdivision 3, is amended to read:

Subd. 3. **Appropriations.** Up to ~~$140,000,000~~ $280,000,000 of the balance in the clean water revolving fund in section 446A.07, as determined by the Public Facilities Authority, is appropriated to the commissioner for the establishment of this program. In addition, the commissioner may receive appropriations from the legislature and grants or funds from other sources for implementation of the program.

Sec. 5. Minnesota Statutes 2024, section 17.118, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to ~~a person~~ an eligible applicant who raises livestock in this state equal to ~~ten percent of the first $500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least $4,000~~ 50 percent of the first $20,000 of qualifying expenditures and 25 percent of the next $220,000 of qualifying expenditures. The commissioner may award multiple livestock investment grants to a person over the life of the program and shall give preference to applicants who have not previously received a grant under this section.

Sec. 6. Minnesota Statutes 2024, section 17.118, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given ~~them~~.

(b) "Livestock" means animals raised for the production of fiber, meat, and animal by-products for sale or as breeding stock, including but not limited to beef cattle, dairy cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, aquaculture, and llamas.

(c) "Qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products;

(2) the development of pasture for use by livestock including, but not limited to, the acquisition, development, or improvement of:

(i) lanes used by livestock that connect pastures to a central location;

(ii) watering systems for livestock on pasture including water lines, booster pumps, and well installations;

(iii) livestock stream crossing stabilization; and

(iv) fences; or

(3) the acquisition of equipment for livestock housing, confinement, feeding, and waste management including, but not limited to, the following:

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

(vii) milk storage and cooling facilities;

(viii) bulk tanks;

(ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;

(x) manure pumping and storage facilities;

(xi) swine farrowing facilities;

(xii) swine and cattle finishing barns;

(xiii) calving facilities;

(xiv) digesters;

(xv) equipment used to produce energy;

(xvi) on-farm processing facilities equipment;

(xvii) fences, including but not limited to farmed Cervidae perimeter fences required under section 35.155, subdivision 4; and

(xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

Sec. 7. Minnesota Statutes 2024, section 17.118, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for a livestock investment grant, ~~a person~~ an applicant must:

(1) be a resident of Minnesota, a unit of Tribal government, or an entity specifically defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm in this state under section 500.24;

(2) be the principal operator of the farm;

(3) hold a feedlot registration, if required; and

(4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

Sec. 8. Minnesota Statutes 2024, 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 not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland; and

(4) is not, and whose spouse is not, ~~related by blood or marriage to an owner~~ 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) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

(d) "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) "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) "Limited market access" means the individual has gross sales of no more than $100,000 per year from the sale of farm products.

Sec. 9. Minnesota Statutes 2024, section 17.133, subdivision 2, is amended to read:

Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants of up to ~~$15,000~~ $20,000 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 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.

Sec. 10. Minnesota Statutes 2024, section 18.79, subdivision 3, is amended to read:

Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to 18.91, an inspector or county-designated employee shall contact a landowner through direct communication prior to entering upon the land for a noxious weed inspection. If a landowner cannot be contacted, an inspector or county-designated employee may enter upon land without consent of the owner and without being subject to an action for trespass or any damages. For the purposes of this subdivision, "direct communication" may include contact with the landowner through an in-person visit, phone call, voice mail, text message, mail, or email. A landowner cannot refuse an inspector or county-designated employee having probable cause to conduct an inspection for noxious weeds on their lands. Within five business days of a completed inspection, the inspector or county-designated employee shall provide the landowner with a copy of the inspection report, including further actions if applicable.

Sec. 11. Minnesota Statutes 2024, section 18B.26, subdivision 8, is amended to read:

Subd. 8. **PFAS prohibitions.** (a) Beginning January 1, 2026, the commissioner may not register a ~~cleaning~~ product in the categories listed in section 116.943, subdivision 5, paragraph (a), if the product contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

(b) Beginning January 1, 2032, the commissioner may not register a pesticide product that contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

Sec. 12. Minnesota Statutes 2024, section 18B.37, subdivision 6, is amended to read:

Subd. 6. **Access to pesticide application information.** (a) A physician ~~licensed to practice in Minnesota~~, physician assistant, or nurse practitioner, or a Minnesota licensed veterinarian, may submit a request to the commissioner for access to available information on the application of pesticides by a commercial or noncommercial pesticide applicator related to a course of diagnosis, care, or treatment of a patient under the care of the physician or veterinarian. For purposes of this subdivision, the physician, physician assistant, or nurse practitioner making the request must be licensed to practice in Minnesota.

(b) A request for pesticide application information under this subdivision must include available details as to the specific location of a known or suspected application that occurred on one or more specified dates and times. The request must also include information on symptoms displayed by the patient that prompted the physician or veterinarian to suspect pesticide exposure. The request must indicate that any information discovered will become part of the confidential patient record and will not be released publicly.

(c) Upon receipt of a request under paragraph (a), the commissioner, in consultation with the commissioner of health, shall promptly review the information contained in the request and determine if release of information held by the department may be beneficial for the medical diagnosis, care, and treatment of the patient.

(d) The commissioner may release to the requester available information on the pesticide. The commissioner shall withhold nonessential information such as total acres treated, the specific amount of pesticides applied, and the identity of the applicator or property owner.

Sec. 13. Minnesota Statutes 2024, section 18C.111, is amended by adding a subdivision to read:

Subd. 6. **Fertilizers and fertilizer by-products.** The commissioner may coordinate the protection of public health and the environment from the unreasonable adverse effects of fertilizers and fertilizer by-products among state agencies and local governments and may assist other state agencies and local governments in providing such protection.

Sec. 14. Minnesota Statutes 2024, section 25.391, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** The provisions of this chapter do not apply to ~~an individual~~ a person who prepares and sells home-processed pet treats for dogs and cats, provided the following conditions are met:

(1) the person is an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence;

(2) the person does not hold a commercial feed license under section 25.341;

(3) the ~~individual~~ person is registered with the commissioner under section 28A.152, subdivision 4;

~~(2)~~ (4) the pet treats are not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, that is safe for human consumption and for consumption by the intended species;

~~(3)~~ (5) the pet treats are baked or dehydrated;

~~(4)~~ (6) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating, "These products are homemade and not subject to state inspection."; and

~~(5)~~ (7) each individual pet treat package is labeled with the following: (i) the name and registration number or address of the individual preparing the pet treat; (ii) the date on which the pet treat was prepared; (iii) the ingredients listed; and (iv) the statement "These products are homemade and not subject to state inspection."

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

Sec. 15. Minnesota Statutes 2024, section 25.391, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** ~~An individual~~ A person qualifying for the exemption under subdivision 1 may sell the exempt pet treats to consumers in accordance with section 28A.152, except that pet treats may also be delivered by mail or commercial delivery.

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

Sec. 16. Minnesota Statutes 2024, section 32D.01, is amended by adding a subdivision to read:

Subd. 12a. **Milk marketer.** "Milk marketer" means any person who collects or procures milk from dairy producers in Minnesota or markets milk on behalf of Minnesota dairy producers. Milk marketer does not include:

(1) a person who only brokers a contract between a milk producer and a milk contractor but does not become a party to the contract, take control of the milk, or accept payment on behalf of the milk producer;

(2) a person who only buys or sells milk on a board of trade or commodity exchange;

(3) a person who collects milk solely from their own farm, for use in their own dairy plant; or

(4) a person who only sells milk direct to the end consumer, from their own farm.

Sec. 17. **[32D.31] MILK MARKETING LICENSE.**

Subdivision 1. **License requirement and eligibility.** A current milk marketing license is required for any milk marketer who procures more than 700,000 pounds of milk annually from Minnesota farms. Before a milk marketing license is issued, the commissioner must determine that the applicant meets the relevant licensing requirements.

Subd. 2. **Application.** An applicant for a milk marketing license must apply on a form provided by the commissioner. An applicant must also submit:

(1) a report of the total milk payroll obligations that the applicant incurred during the applicant's last completed fiscal year. If the applicant has not yet operated as a milk marketer in Minnesota, the applicant shall estimate the total milk payroll obligations that the applicant will incur during the applicant's first complete fiscal year;

(2) a report of any milk payroll obligations to dairy producers that were unpaid during the applicant's last completed fiscal year and the payroll amount; and

(3) the total amount of hundredweights procured, collected, or marketed from Minnesota milk producers during the applicant's last completed fiscal year.

Subd. 3. **Term of license; transferability.** A milk marketing license issued by the commissioner expires on December 31 of each year, must be renewed annually, and is not transferable.

Subd. 4. **Fees and penalties.** (a) The fee for a milk marketing license is:

(1) $100 for an initial license; and

(2) $250 annually for a license renewal.

(b) The fee must be paid to the commissioner before the commissioner issues an initial or renewal license. If a person has not applied for a milk marketing license renewal before January 1, a late fee of $100 must be imposed. After January 1, 2026, any person who requires a milk marketing license and conducts activities subject to licensing within 365 days prior to obtaining a milk marketing license must pay a penalty of $250 to receive the person's initial license.

Subd. 5. **License requirements.** An applicant for a milk marketing license must:

(1) complete monthly procurement payments under section 32D.11, if applicable;

(2) provide, upon request of the commissioner, a list of dairy producers from whom the applicant collects milk;

(3) provide dairy field service as described in section 32D.02, subdivision 6;

(4) submit associated farm inspection fees as required under sections 32D.06 and 32D.08;

(5) provide, upon the request of the commissioner, a financial statement to demonstrate that sufficient financial resources are available to satisfy payroll obligations for milk that is procured or collected from Minnesota dairy producers; and

(6) satisfy all contractual payments and agreements made with any Minnesota dairy producer that maintains a permit or certification as required under section 32D.05 or 32D.07. A person's failure to pay dairy producers in accordance with contracts may result in the revocation or suspension of the person's milk marketing license.

Subd. 6. **Permit requirement.** (a) A person conducting the following activities must hold a valid milk marketing permit:

(1) any activities subject to a milk marketing license; or

(2) if the person is a Minnesota milk producer, marketing milk on the producer's own behalf.

(b) An applicant must apply for a milk marketing permit on a form provided by the commissioner. A milk marketing permit must be issued to an applicant in conjunction with the initial license issued and must contain a milk marketing permit number. An applicant for a milk marketing permit must not be required to pay a fee to the commissioner when applying. A milk marketing permit is valid if the holder of the permit maintains a current milk marketing license or continues to market the permit holder's own milk, with no renewals required.

Sec. 18. Minnesota Statutes 2024, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from a state or province where chronic wasting disease has been detected in the farmed or wild cervid population in the last five years unless the animal has tested not detected for chronic wasting disease with a validated live-animal test.

(b) Live Cervidae or Cervidae semen must originate from a herd that has been subject to a state-, federal-, or provincial-approved chronic wasting disease herd certification program and that has reached a status equivalent to the highest certification.

(c) Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) This subdivision does not apply to the interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums.

(e) Notwithstanding this subdivision, the commissioner of natural resources may issue a permit allowing the importation of orphaned wild cervid species that are not susceptible to chronic wasting disease from another state to an Association of Zoos and Aquariums accredited institution in Minnesota following a joint risk-based assessment conducted by the commissioner and the institution.

(f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo that is a United States Department of Agriculture licensed exhibitor of regulated animals to import live reindeer from another state if the reindeer are part of a herd that is:

(1) in the United States Department of Agriculture Herd Certification Program; or

(2) subject to similar equivalent disease surveillance at the discretion of the state veterinarian.

Sec. 19. Minnesota Statutes 2024, section 41A.16, subdivision 7, is amended to read:

Subd. 7. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials may be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location after April 1, 2023, and before June 30, 2025, and must not begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 23,750 MMbtu of biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

Sec. 20. Minnesota Statutes 2024, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than $20,000 and no more than $500,000~~, whichever is less~~. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 21. Minnesota Statutes 2024, section 41B.0391, subdivision 1, is amended to read:

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

(b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and machinery used for farming in Minnesota.

(c) "Beginning farmer" means an individual who:

(1) is a resident of Minnesota;

(2) is seeking entry, or has entered within the last ten years, into farming;

(3) intends to farm land located within the state borders of Minnesota;

(4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a family member of the owner of the agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;

(5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a family member of a partner, member, shareholder, or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets; and

(6) meets the following eligibility requirements as determined by the authority:

(i) has a net worth that does not exceed the limit provided under section 41B.03, subdivision 3, paragraph (a), clause (2);

(ii) provides the majority of the day-to-day physical labor and management of the farm;

(iii) has, by the judgment of the authority, adequate farming experience or demonstrates knowledge in the type of farming for which the beginning farmer seeks assistance from the authority;

(iv) demonstrates to the authority a profit potential by submitting projected earnings statements;

(v) asserts to the satisfaction of the authority that farming will be a significant source of income for the beginning farmer;

(vi) is enrolled in or has completed within ten years of their first year of farming a financial management program approved by the authority or the commissioner of agriculture;

(vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility requirements within the three-year certification period, in which case the beginning farmer is no longer eligible for credits under this section; and

(viii) has other qualifications as specified by the authority.

The authority may waive the requirement in item (vi) if the participant requests a waiver and has a four-year degree in an agricultural program or related field, reasonable agricultural job-related experience, or certification as an adult farm management instructor.

~~(d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055, subdivision 1.~~

~~(e)~~ (d) "Family member" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

~~(f)~~ (e) "Farm product" means plants and animals useful to humans and includes, but is not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products, poultry and poultry products, livestock, fruits, and vegetables.

~~(g)~~ (f) "Farming" means the active use, management, and operation of real and personal property for the production of a farm product.

(g) "Limited land access farmer" means a farmer experiencing limited land access as defined in section 17.133, subdivision 1.

(h) "Owner of agricultural assets" means an individual, trust, or pass-through entity that is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling agricultural assets for profit and that is not engaged in farming as its primary business activity. An owner of agricultural assets approved and certified by the authority under subdivision 4 must notify the authority if the owner no longer meets the definition in this paragraph within the three year certification period and is then no longer eligible for credits under this section.

(i) "Resident" has the meaning given in section 290.01, subdivision 7.

(j) "Share rent agreement" means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of farm products produced from the rented agricultural assets and which provides for sharing production costs or risk of loss, or both.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 22. Minnesota Statutes 2024, section 41B.0391, subdivision 2, is amended to read:

Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural assets may take a credit against the tax due under chapter 290 for the sale or rental of agricultural assets to a beginning farmer in the amount allocated by the authority under subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

(1) eight percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of $50,000;

(2) ten percent of the gross rental income in each of the first, second, and third years of a rental agreement, up to a maximum of $7,000 per year; or

(3) 15 percent of the cash equivalent of the gross rental income in each of the first, second, and third years of a share rent agreement, up to a maximum of $10,000 per year.

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.

(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification and allocation of a credit, in a form and manner prescribed by the authority.

(d) An owner of agricultural assets or beginning farmer may terminate a rental agreement, including a share rent agreement, for reasonable cause upon approval of the authority. If a rental agreement is terminated without the fault of the owner of agricultural assets, the tax credits shall not be retroactively disallowed. In determining reasonable cause, the authority must look at which party was at fault in the termination of the agreement. If the authority determines the owner of agricultural assets did not have reasonable cause, the owner of agricultural assets must repay all credits received as a result of the rental agreement to the commissioner of revenue. The repayment is additional income tax for the taxable year in which the authority makes its decision or when a final adjudication under subdivision 5, paragraph (a), is made, whichever is later.

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

(f) For purposes of the credit for the sale of agricultural land only, the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply. For a sale to a family member to qualify for the credit, the sales price of the agricultural land must equal or exceed the assessed value of the land as of the date of the sale. For purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a family member of:

(1) the owner of the agricultural land; or

(2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

(g) For a sale to ~~an emerging~~ a limited land access farmer, the credit rate under paragraph (a), clause (1), is twelve percent rather than eight percent.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 23. Minnesota Statutes 2024, section 41B.0391, subdivision 4, is amended to read:

Subd. 4. **Authority duties.** (a) The authority shall:

(1) approve and certify or recertify beginning farmers as eligible for the program under this section;

(2) approve and certify or recertify owners of agricultural assets as eligible for the tax credit under subdivision 2 subject to the allocation limits in paragraph (c);

(3) provide necessary and reasonable assistance and support to beginning farmers for qualification and participation in financial management programs approved by the authority;

(4) refer beginning farmers to agencies and organizations that may provide additional pertinent information and assistance; and

(5) notwithstanding section 41B.211, the Rural Finance Authority must share information with the commissioner of revenue to the extent necessary to administer provisions under this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority must annually notify the commissioner of revenue of approval and certification or recertification of beginning farmers and owners of agricultural assets under this section. For credits under subdivision 2, the notification must include the amount of credit approved by the authority and stated on the credit certificate.

(b) The certification of a beginning farmer or an owner of agricultural assets under this section is valid for the year of the certification and the two following years, after which time the beginning farmer or owner of agricultural assets must apply to the authority for recertification.

(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than $6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and $4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to ~~emerging~~ limited land access farmers. Any portion of a taxable year's newly allocated credits that is reserved for ~~emerging~~ limited land access farmers that is not allocated by September 30 of the taxable year is available for allocation to other credit allocations beginning on October 1.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 24. Minnesota Statutes 2024, section 41B.0391, is amended by adding a subdivision to read:

Subd. 6a. **Report to legislature.** (a) No later than February 1 each year the Rural Finance Authority, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture, economic development, rural development, and taxes, in compliance with sections 3.195 and 3.197, on the beginning farmer tax credits under this section.

(b) The report must include background information on beginning farmers in Minnesota and any other information the commissioner and authority find relevant to evaluating the effect of the credits on increasing opportunities for and the number of beginning farmers.

(c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report must include:

(1) the number and amount of credits issued under each clause;

(2) the geographic distribution of credits issued under each clause;

(3) the type of agricultural assets for which credits were issued under clause (1);

(4) the number and geographic distribution of beginning farmers whose purchase or rental of assets resulted in credits for the seller or owner of the asset;

(5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

(6) data on the number of beginning farmers by geographic region, including:

(i) the number of beginning farmers by race and ethnicity, as those terms are applied in the 2020 United States Census; and

(ii) to the extent available, the number of beginning farmers who are limited land access farmers; and

(7) the number and amount of credit applications that exceeded the allocation available in each year.

(d) For credits issued under subdivision 3, the report must include:

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

(3) a listing and description of each approved financial management program for which credits were issued; and

(4) a description of the approval procedure for financial management programs not on the list maintained by the authority, as provided in subdivision 3, paragraph (a).

EFFECTIVE DATE. This section is effective for reports due for credits issued for taxable years beginning after December 31, 2025.

Sec. 25. Minnesota Statutes 2024, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal ~~or~~. Individual loans must be no less than $20,000 and no more than $625,000~~, whichever is less~~. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 26. Minnesota Statutes 2024, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than $20,000 and no more than $500,000~~, whichever is less~~. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 27. Minnesota Statutes 2024, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than $20,000 and no more than $500,000~~, whichever is less~~. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 28. Minnesota Statutes 2024, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion and modernization loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net

worth, including assets and liabilities of the borrower's spouse and dependents, of less than $1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than $20,000 and no more than $625,000~~, whichever is less~~. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 29. Minnesota Statutes 2024, section 41B.047, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

(1) meet the requirements of section 41B.03, subdivision 1;

(2) certify that the damage or loss was: (i) sustained within a county that was the subject of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly contagious animal disease in Minnesota; (iii) due to an infectious human disease for which the governor has declared a peacetime emergency; or (iv) due to an emergency as determined by the authority;

(3) demonstrate an ability to repay the loan; ~~and~~

(4) have received at least 25 percent of annual gross income from farming in the past year~~.~~; and

(5) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than $10,000,000.

Sec. 30. Minnesota Statutes 2024, section 41B.056, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement ~~a pilot~~ an agricultural microloan program to help finance the purchase of agricultural land or the production of specialty crops or eligible livestock. The authority may contract with an intermediary to provide an efficient delivery system for this program.

Sec. 31. Minnesota Statutes 2024, section 41B.057, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish a farm opportunity loan program to provide loans that enable farmers to:

(1) add value to crops or livestock produced in Minnesota; or

~~(2) adopt best management practices that emphasize sufficiency and self-sufficiency;~~

~~(3) reduce or improve management of agricultural inputs resulting in environmental improvements; or~~

~~(4)~~ (2) increase production of on-farm energy.

Sec. 32. Minnesota Statutes 2024, section 41B.057, subdivision 3, is amended to read:

Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or $100,000 per individual, whichever is less. For loans to a group made up of

four or more individuals, participation is limited to 45 percent of the principal amount of the loan or $250,000, whichever is less. The interest rate on the loans must not exceed six percent. A borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than $1,700,000 in 2017 and an amount in subsequent years that is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 33. Minnesota Statutes 2024, section 223.17, subdivision 3, is amended to read:

Subd. 3. **Grain buyers and storage account; fees.** (a) The commissioner shall set the ~~fees for inspections under sections 223.15 to 223.22~~ examination fees at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. The fee for any license issued or renewed after June 30, ~~2005, shall be set according to the following schedule:~~ 2025, is $500 for each licensed location.

~~(1) $140 plus $110 for each additional location for grain buyers whose gross annual purchases are less than $100,000;~~

~~(2) $275 plus $110 for each additional location for grain buyers whose gross annual purchases are at least $100,000, but not more than $750,000;~~

~~(3) $415 plus $220 for each additional location for grain buyers whose gross annual purchases are more than $750,000 but not more than $1,500,000;~~

~~(4) $550 plus $220 for each additional location for grain buyers whose gross annual purchases are more than $1,500,000 but not more than $3,000,000; and~~

~~(5) $700 plus $220 for each additional location for grain buyers whose gross annual purchases are more than $3,000,000.~~

(b) In addition to the license fee required under paragraph (a), a grain buyer must pay to the commissioner an annual examination fee for each licensed location, as follows:

~~Bushel Capacity~~	~~Examination Fee~~
~~Examinations without a grain measure~~	~~$100~~
~~Less than 150,001~~	~~$300~~
~~150,001 to 250,000~~	~~$425~~
~~250,001 to 500,000~~	~~$545~~
~~500,001 to 750,000~~	~~$700~~
~~750,001 to 1,000,000~~	~~$865~~
~~1,000,001 to 1,200,000~~	~~$1,040~~
~~1,200,001 to 1,500,000~~	~~$1,205~~
~~1,500,001 to 2,000,000~~	~~$1,380~~
~~More than 2,000,000~~	~~$1,555~~

(1) examination fees must be calculated based on bushel capacity of each licensed location with a charge of $0.0035 per bushel of capacity;

(2) examination fees must not be less than $350 and must not exceed $4,000; and

(3) a licensed location with no grain bin capacity must be charged a $200 examination fee.

(c) Examination fees for each licensed location must not increase more than 150 percent above the examination fee for the licensed location in the previous year.

~~(c)~~ (d) The fee for any supplemental examination required by the commissioner under section 223.23 is ~~$55~~ $110 per hour per examiner.

~~(d)~~ (e) A licensed grain buyer meeting the annual examination requirements under section 223.23 is exempt from the fees under paragraph (b) if the annual examination is conducted by the Agricultural Marketing Service of the United State Department of Agriculture.

~~(e)~~ (f) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

~~(f)~~ (g) There is created the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.23 shall be paid into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.23.

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

Sec. 34. Minnesota Statutes 2024, section 232.22, subdivision 3, is amended to read:

Subd. 3. **Fees; grain buyers and storage account.** (a) There is created in the agricultural fund an account known as the grain buyers and storage account. The commissioner shall set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24, except that fees must not increase more than 150 percent above the fees charged in the previous year. All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 232.20 to 232.24.

(b) All money collected pursuant to chapter 231 shall be paid by the commissioner into the grain buyers and storage account. Money in the account is appropriated to the commissioner for the administration and enforcement of chapter 231.

(c) The fees for a license to store grain are as follows:

(1) for a license to store grain, ~~$110~~ $300 for each home rule charter or statutory city or town in which a public grain warehouse is operated; and

~~(2) in addition to the license fee required under clause (1), a person with a license to store grain in a public grain warehouse is subject to an examination fee for each licensed location, as follows:~~

~~Bushel Capacity~~	~~Examination Fee~~
~~Less than 150,001~~	~~$300~~
~~150,001 to 250,000~~	~~$425~~
~~250,001 to 500,000~~	~~$545~~
~~500,001 to 750,000~~	~~$700~~
~~750,001 to 1,000,000~~	~~$865~~
~~1,000,001 to 1,200,000~~	~~$1,040~~
~~1,200,001 to 1,500,000~~	~~$1,205~~
~~1,500,001 to 2,000,000~~	~~$1,380~~
~~More than 2,000,000~~	~~$1,555~~

~~(3)~~ (2) the fee for supplemental examinations required by the commissioner under section 232.24 is ~~$55~~ $110 per hour per examiner.

(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

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

Sec. 35. **LOCAL FOOD PURCHASING ASSISTANCE GRANT PROGRAM.**

(a) The commissioner of agriculture may award grants to eligible applicants to purchase and distribute food at no cost to Minnesotans experiencing food insecurity. When awarding grants, the commissioner of agriculture must give preference to applicants that:

(1) source 100 percent of food from Minnesota;

(2) source at least 70 percent of food from farmers who are experiencing limited land access or limited market access as defined in Minnesota Statutes, section 17.133, subdivision 1; and

(3) demonstrate strong connections to individuals whose needs are not met through the traditional emergency food system.

(b) Eligible applicants include but are not limited to individuals, nonprofit organizations, for-profit businesses, Tribal governments, government entities, agricultural cooperatives, economic development organizations, and educational institutions.

(c) Grantees may use up to 15 percent of each grant awarded under this section for administrative and transportation expenses.

(d) By January 15 each year, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding:

(1) the amount awarded to each grantee;

(2) the amount of each grant award that has been disbursed to each grantee;

(3) a description of the purposes for which the grantee was issued a grant;

(4) an analysis of the grant recipients' success in meeting the purpose of the grant and any goals or measurable outcomes specified in the grant agreement;

(5) information about the amount and type of food distributed by the grantee; and

(6) the amount of the grant used by each grantee for administrative costs.

As a condition of receiving a grant, a grantee must agree to provide the commissioner any information necessary to complete the report required by this paragraph.

Sec. 36. **CAT DECLAWING RECOMMENDATIONS.**

By February 1, 2026, the Board of Veterinary Medicine shall consult with veterinarians and submit recommendations on the prohibition of cat declawing to the chairs and ranking minority members of the legislative committees with jurisdiction over companion animals and animal cruelty.

Sec. 37. **MATERIALS ON HIGHLY PATHOGENIC AVIAN INFLUENZA.**

By March 1, 2026, the Board of Animal Health shall prepare information and materials about highly pathogenic avian influenza and preventing its spread in companion animals.

Sec. 38. **BIOFERTILIZER INNOVATION AND EFFICIENCY PILOT PROGRAM.**

Subdivision 1. **Program established.** In consultation with the University of Minnesota, the commissioner of agriculture must develop and administer a biofertilizer water protection program to address water quality by incentivizing Minnesota farmers to improve nitrogen management and incorporate innovative technologies into the farmers' crop nutrient management plans. The commissioner must determine which products qualify for the program, including soil amendments, fertilizers with nitrogen-fixing properties, biological sources of nitrogen, and other biofertilizers.

Subd. 2. **Payments to qualified farmers.** In consultation with farmers and the fertilizer industry, the commissioner of agriculture must establish a per-acre payment rate for payments provided to a qualifying farmer. The commissioner may provide an annual per-acre incentive payment to a qualifying farmer who verifies through documentation that the farmer has reduced commercial nitrogen fertilizer rates by using a qualifying product in the farmer's crop nutrient management plans by the lesser of:

(1) 15 percent; or

(2) 30 pounds per acre.

Subd. 3. **Qualifications.** To qualify for the biofertilizer water preservation program, a farmer must:

(1) be a Minnesota resident operating farmland located in the counties of Becker, Benton, Carver, Cass, Crow Wing, Dakota, Dodge, Douglas, Fillmore, Goodhue, Houston, Hubbard, Kandiyohi, Lincoln, Morrison, Mower, Murray, Nicollet, Nobles, Olmsted, Otter Tail, Pipestone, Pope, Rock, Scott, Sherburne, Stearns, Swift, Todd, Wabasha, Wadena, or Winona;

(2) submit documentation to the commissioner of agriculture, including but not limited to a crop nutrient management plan or verifiable records that show reduction in the use of nitrogen at the reduction rate required under subdivision 2 by using a qualifying product determined by the commissioner of agriculture under subdivision 1; and

(3) enroll a minimum of 40 eligible acres.

Subd. 4. **Report required.** By January 1, 2028, the commissioner of agriculture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance on the pilot program under this section. The report must include information about the grant awards, nitrogen application rates, technologies and products capable of reducing nitrogen application rates, and environmental outcomes.

Sec. 39. **REPEALER.**

(a) Minnesota Statutes 2024, section 239.77, subdivision 5, is repealed.

(b) Minnesota Statutes 2024, sections 35.68; and 35.830, are repealed.

Sec. 40. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective August 1, 2025.

ARTICLE 4
LIVESTOCK MARKET AGENCY AND DEALER LICENSING PROVISIONS

Section 1. Minnesota Statutes 2024, section 17A.03, subdivision 8, is amended to read:

Subd. 8. **Livestock dealer agent.** " Livestock dealer agent" means any individual who is engaged by a livestock dealer to act as the dealer's representative.

Sec. 2. Minnesota Statutes 2024, section 17A.03, subdivision 10, is amended to read:

Subd. 10. **Meat packing ~~plants~~ companies, packers, and slaughtering houses.**" Meat packing ~~plants~~ companies, " "packers," and "slaughtering houses" ~~means~~ mean places of business ~~where livestock purchased or acquired is slaughtered~~ that have the meaning given to "packers" as defined in section 31B.02, subdivision 8.

Sec. 3. Minnesota Statutes 2024, section 17A.03, subdivision 11, is amended to read:

Subd. 11. **Buying station.** "Buying station" means any stockyard or concentration point, other than a public stockyard, at which livestock is bought and sold or assembled for shipment to a meat packing ~~plant~~ company or a public stockyard, or graded or weighed for the purpose of establishing a basis for sale or reshipment.

Sec. 4. Minnesota Statutes 2024, section 17A.03, is amended by adding a subdivision to read:

Subd. 16. **Meat packing company agent.** "Meat packing company agent" means an individual who is engaged by a meat packing company to act as the company's representative.

Sec. 5. Minnesota Statutes 2024, section 17A.04, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions.** (a) Licenses shall be issued to livestock market agencies and public stockyards annually and shall expire on December 31 each year, renewable annually thereafter. A separate license must be obtained for each separate geographical location even though operated under the same management or same person, partnership, firm, corporation, or livestock market. The license issued to a livestock market agency ~~and~~ or public stockyard shall be conspicuously posted at the licensee's place of business.

(b) Licenses shall be required for livestock dealers ~~and their agents~~, livestock dealer agents, meat packing companies, and meat packing company agents for the period beginning July 1 each year and ending June 30. A license issued under this subdivision is renewable annually thereafter. The license issued to a livestock dealer ~~or the agent of a~~, livestock dealer agent, meat packing company, or meat packing company agent shall be carried by the person ~~so~~ who is licensed. ~~The~~ A livestock dealer or meat packing company shall be responsible for the acts of the ~~dealer's agents~~ livestock dealer agent or meat packing company agent. Licensed livestock market agencies, public stockyards, and livestock dealers shall be responsible for the faithful performance of duty of the public livestock

weighers at their places of business. The license issued to a livestock market agency, public stockyard ~~or~~, meat packing company, meat packing company agent, livestock dealer, or ~~agent of a~~ livestock dealer agent is not transferable. The operation of livestock market agencies, livestock dealers, agents, and ~~packers~~ meat packing companies at a public stockyard are exempt from sections 17A.01 to 17A.09 and 17A.12 to 17A.17.

Sec. 6. Minnesota Statutes 2024, section 17A.04, subdivision 2, is amended to read:

Subd. 2. **Application.** Any person desiring to carry on the business of a livestock market agency or livestock dealer, or both, or a public stockyard, livestock dealer agent, meat packing company, or meat packing company agent shall make application to the commissioner on a form or forms provided by the commissioner.

Sec. 7. Minnesota Statutes 2024, section 17A.04, subdivision 4, is amended to read:

Subd. 4. **Surety bonds required.** Each livestock market agency and livestock dealer applying for a license ~~under Laws 1974, chapter 347~~ shall file with the commissioner a valid and effective bond issued by a surety company licensed to do business in this state, or meeting the requirements of section 17A.05, in the form and amount set forth in section 17A.05. No bond shall be required of a public stockyard or any agent of a bonded livestock dealer. The commissioner may at any time raise or lower bond requirements if it appears that a modification of such bond requirements is justified and will protect the public. The bonds of livestock market agencies and dealers whose residence or principal place of business is within the state of Minnesota shall name the commissioner as the trustee. ~~Any~~ A license ~~issued under Laws 1974, chapter 347~~ shall automatically become void upon the termination of the surety bond covering the licensed operations.

Sec. 8. Minnesota Statutes 2024, section 17A.04, subdivision 6, is amended to read:

Subd. 6. **Refusal to license.** The commissioner shall refuse to issue or renew a livestock market agency, meat packing company, or livestock dealer license if the applicant has not filed a surety bond in the form and amount required under this section and section 17A.05; the commissioner may refuse to issue or renew a license if the applicant: (1) has not satisfactorily demonstrated by a current balance sheet and financial statement that the applicant's assets exceed liabilities; (2) has been found by the department to have failed to pay, without reasonable cause, obligations incurred in connection with livestock transactions; (3) has failed to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; or (4) has failed to comply with other statutes, rules, or regulations enforced by the commissioner, the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration.

Sec. 9. Minnesota Statutes 2024, section 17A.04, subdivision 7, is amended to read:

Subd. 7. **Revocation of license.** Whenever the commissioner finds that any livestock market agency, meat packing company, or livestock dealer has violated the provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, the commissioner may, by order, pursuant to the provisions of chapter 14, and this subdivision, revoke the license of the offender. ~~Before any such license shall be revoked, the licensee shall be furnished with a statement of the complaints made against the licensee, and a hearing shall be had before the commissioner upon at least ten days' notice to the licensee to determine whether such license shall be revoked, which notice may be served either by certified mail addressed to the address of the licensee as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for hearing, the commissioner or any official, employee or agent of the department authorized by the commissioner, shall receive evidence, administer oaths, examine witnesses, hear the testimony and thereafter file an order either dismissing the proceedings or revoking the license.~~

Sec. 10. Minnesota Statutes 2024, section 17A.04, subdivision 8, is amended to read:

Subd. 8. **Suspension of license.** Whenever the commissioner finds that the licensee has violated provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, and that the continued activity of a licensee may cause irreparable injury or loss to persons engaged in business with the licensee, the commissioner may, without hearing, suspend the license of the licensee, provided that when a license is so suspended, the commissioner shall immediately initiate procedures to afford the licensee a hearing pursuant to subdivision 7 ~~except that the ten days' notice required in subdivision 7 may be waived by the licensee~~.

Sec. 11. Minnesota Statutes 2024, section 17A.06, subdivision 2, is amended to read:

Subd. 2. **Hearing on claims.** In case of default by the licensee, the commissioner shall have the power to have the matter heard as a contested case pursuant to procedures outlined in chapter 14. ~~No hearing shall be required if all affected parties to a bond claim proceeding waive their right to a hearing and agree to accept the commissioner's determination as to the validity of the claim and the allocation of the proceeds of the bond.~~ The commissioner must first determine whether a claim is valid. If the commissioner determines that a claim is valid, the commissioner must notify the licensee of the determination and that the licensee has 15 days to either pay the claim or appeal the determination. If the licensee does not respond within 15 days, the determination must be considered a final order by the commissioner. If the commissioner determines that a claim is not valid, the commissioner must notify the claimant of the determination and that the claimant has 15 days to appeal the determination. If the claimant does not respond within 15 days, the determination must be considered a final order by the commissioner.

Sec. 12. Minnesota Statutes 2024, section 17A.06, subdivision 3, is amended to read:

Subd. 3. **Public notice.** ~~Prior to a hearing~~ After the commissioner determines that a claim is valid, the commissioner shall publish a notice setting forth the default of the licensee and requiring all claimants to file proof of claim with the commissioner within 45 days of the date such notice is published or be barred from participating in the proceeds of the bond. Such publication shall be made in a newspaper published in the county in which the licensee's principal place of business is located. The commissioner shall also fulfill any notice requirements prescribed by chapter 14 and rules of the Office of Administrative Hearings. No claim shall be allowed unless it is filed with the commissioner within one year of the date of the transaction. If a livestock market agency, meat packing company, or livestock dealer has on file a Packers and Stockyards Act bond and is registered with the Packers and Stockyards Administration, the terms of the bond or that federal agency's regulations will control.

Sec. 13. Minnesota Statutes 2024, section 17A.07, is amended to read:

17A.07 PROHIBITED CONDUCT.

It shall be unlawful for any person to: (1) carry on the business of a livestock market agency, livestock dealer, livestock dealer agent, meat packing company, meat packing company agent, or public stockyard without a valid and effective license issued by the commissioner under the provisions of section 17A.04; (2) carry on the business of a livestock market agency, meat packing company, or livestock dealer without filing and maintaining a valid and effective surety bond in conformity with sections 17A.04 and 17A.05; (3) carry on the business of a livestock market agency, meat packing company, or livestock dealer if the person cannot pay debts as they become due or ceases to pay debts in the ordinary course of business as they become due; (4) use or allow to be used any livestock scale or monorail scale which has not been certified and approved for official use or has been found to be inaccurate; (5) fail to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; (6) weigh livestock or carcasses at other than true and correct weights or issue accounts and records on the basis of inaccurate or incorrect weights; (7) engage in or use any unfair or deceptive practice or device in connection with marketing of livestock; (8) willfully make or cause to be made any false entry or statement of fact in any application, financial statement or report filed with the department under this chapter.

Sec. 14. Minnesota Statutes 2024, section 17A.08, is amended to read:

17A.08 RECORD KEEPING.

Every person shall make and retain such accounts, records, and memoranda necessary to fully and correctly disclose all transactions involved in the person's business, including the true ownership of such business by stockholding or otherwise. Whenever the commissioner finds that the accounts, records, and memoranda of any such person do not fully and correctly disclose all transactions involved in the person's business, the commissioner may ~~prescribe~~ take enforcement actions in addition to prescribing the manner or form and length of time for retention which such accounts, records, and memoranda shall be kept. The commissioner shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person being investigated or proceeded against.

Sec. 15. Minnesota Statutes 2024, section 17A.15, is amended to read:

17A.15 POWERS AND DUTIES OF COMMISSIONER.

The commissioner shall enforce the provisions of ~~Laws 1974, chapter 347~~ this chapter and shall promulgate, in the manner provided by law, such rules as the commissioner deems necessary or desirable, and may cooperate with any department of state or government, to carry out the provisions of sections 17A.01 to 17A.15. The commissioner or a duly authorized agent shall have the power to issue subpoenas, administer oaths and affirmations, examine witnesses, receive evidence, and shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation or administrative proceeding.

Sec. 16. **EFFECTIVE DATE.**

This article is effective August 1, 2025.

ARTICLE 5
FOOD HANDLER LICENSING PROVISIONS

Section 1. Minnesota Statutes 2024, section 28A.03, subdivision 7, is amended to read:

Subd. 7. **Principal mode of business.** "Principal mode of business" means that type of business described under paragraph (a)~~,~~ or (b)~~, (c) or (d)~~ in section 28A.05 within which category the greatest amount of the applicant's food business lies.

Sec. 2. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 12. **Risk category.** "Risk category" means a classification of the level of food safety risk associated with food handling, processing, preparation, and storage based upon an assessment by regulatory food safety professionals of the potential likelihood and severity of harm.

Sec. 3. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 13. **Gross sales or service.** "Gross sales or service" means a calculation in dollars of the total value of food sales or service at the location before taxes or deductions that includes the value of food items held for distribution to other places of business or donated.

Sec. 4. Minnesota Statutes 2024, section 28A.04, is amended to read:

28A.04 LICENSE REQUIRED; CUSTOM PROCESSING PERMIT APPLICATIONS; RENEWALS.

Subdivision 1. **Application; date of issuance.** (a) Except as provided under section 28A.152, no person shall engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business. Applications for such license shall be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and shall contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

(b) An applicant for a license must submit a nonrefundable application fee of $50 with each license application. The fee under this paragraph does not apply to annual license renewals. The fee under this paragraph is not required for applications to operate solely as a special event food stand or custom exempt food handler.

~~(b)~~ (c) A ~~retail or wholesale~~ food handler license shall be issued for the period ~~July~~ January 1 to ~~June 30 following~~ December 31 and shall be renewed thereafter by the licensee on or before ~~July~~ January 1 of each year, except that:

(1) retail and wholesale food handler licenses issued for the period of July 1, 2025, to June 30, 2026, must be renewed on or before July 1, 2026, for the period of July 1, 2026, to December 31, 2026. The renewal fee for the period of July 1, 2026, to December 31, 2026, is one-half of the fee for a food handler specified in section 28A.08, subdivision 3;

~~(1)~~ (2) licenses for all mobile food concession units and retail mobile units must be issued for the period April 1 to March 31, and must be renewed thereafter by the licensee on or before April 1 of each year~~; and~~.

~~(2)~~ A license issued for a temporary food concession stand must have a license issuance and renewal date consistent with appropriate statutory provisions~~.~~; and

(3) a license for a food handler operating only at the State Fair must be issued for the period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 of each year.

(d) A penalty for late renewal under paragraph (b) must be assessed in accordance with section 28A.08.

~~(c)~~ (e) A custom exempt food handler license shall be issued for the period July 1 to June 30 ~~following~~ and ~~shall~~ must be renewed thereafter by the licensee on or before July 1 each year. The custom exempt food handler license is for businesses that only conduct custom exempt operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt operations or other operations other than custom exempt processing or slaughter are not eligible for this license.

~~(d) A license for a food broker or for a food processor or manufacturer shall be issued for the period January 1 to December 31 following and shall be renewed thereafter by the licensee on or before January 1 of each year, except that a license for a wholesale food processor or manufacturer operating only at the state fair shall be issued for the period July 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1 of each year. A penalty for a late renewal shall be assessed in accordance with section 28A.08.~~

~~(e)~~ (f) On a quarterly basis during the licensing period, the commissioner must prorate the fee for an initial license issued under this chapter, except that a person applying for a new license up to 14 calendar days before the effective date of the new license period under paragraph (b) must be issued a license for the 14 days and the next license year as a single license and pay a single license fee as if the 14 days were part of the upcoming license period.

Subd. 2. **Custom processing or Minnesota Meat and Poultry Inspection Act permit.** In addition to the license requirements set forth in subdivision 1, every custom exempt processor or establishment operating under the Minnesota Meat and Poultry Inspection Act as defined in section 31A.31, shall obtain a custom processing permit or Minnesota Meat and Poultry Grant of Inspection permit. Application for a permit shall be made on forms provided by the commissioner. The commissioner shall cause the ~~custom~~ processor's place of business to be inspected and if the commissioner finds that the applicant's place of business complies with state standards relating to meat processing plants, a ~~custom processing~~ permit under this subdivision shall be issued to the applicant. ~~No~~ An additional fee ~~shall~~ of up to $500 may be charged for a ~~custom processing~~ permit under this subdivision.

Sec. 5. Minnesota Statutes 2024, section 28A.05, is amended to read:

28A.05 ~~CLASSIFICATION~~ FOOD HANDLER CLASSES.

All persons required to have a license under section 28A.04 shall be classified into one of the following classes of food handlers, according to their principal mode of business.

(a) ~~Retail~~ Food handlers are persons who:

(1) sell or process and sell food directly to the ultimate consumer or who custom process meat or poultry. The term includes a person who sells food directly to the ultimate consumer through the use of vending machines, and a person who sells food for consumption on site or off site if the sale is conducted on the premises that are part of a grocery or convenience store operation~~.~~;

~~(b) Wholesale food handlers are persons who~~ (2) sell to ~~others~~ other business entities or establishments for resale~~.~~, including a person who handles food in job lots ~~(jobbers) is included in this classification.~~; or

~~(c) Wholesale food processors or manufacturers are persons who~~ (3) process or manufacture raw materials and other food ingredients into food items, ~~or who~~ reprocess food items, ~~or who~~ package food for sale to ~~others~~ other business entities or establishments for resale, or ~~who~~ commercially slaughter animals or poultry. Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food for sale to ~~others~~ other business entities or establishments for resale, cold storage warehouse operators as defined in section 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, and dairy plants as defined in section 32D.01, subdivision 6.

~~(d)~~ (b) Custom exempt food handlers are persons who only conduct custom exempt processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction may not take place in a facility operated by a person with a custom exempt food handler license.

~~(e) A food broker is a person who buys and sells food and who negotiates between a buyer and a seller of food, but who at no time has custody of the food being bought and sold.~~

Sec. 6. Minnesota Statutes 2024, section 28A.06, is amended to read:

28A.06 EXTENT OF LICENSE.

No person, except as described in section 27.03, shall be required to hold more than one license in order to engage in any aspect of food handling ~~described in section 28A.05 provided,~~ except that:

(1) each issued license shall be valid for no more than one place of business~~, except that~~;

(2) a license for a mobile unit or a retail food vehicle, portable structure, or cart is valid statewide and is required to be issued only once each year unless the licensee fails to display the license as required by section 28A.07 or it is a seasonal permanent food stand, seasonal temporary food stand, food cart, or special event food stand as defined in section 157.15, in which case the duration of the license is restricted by the limitations found in the definitions in section 157.15.; and

(3) the commissioner may authorize a food handler reporting $50,000 or less gross annual food sales to conduct business activities under the food handler's license at up to two additional locations if:

(i) the food handler has reported each location and activity to the commissioner; and

(ii) the commissioner has approved each location and activity before the food handler conducts business activities at each location.

Sec. 7. Minnesota Statutes 2024, section 28A.07, is amended to read:

28A.07 ISSUANCE OF LICENSE.

Prior to the issuance or renewal of any license herein, the commissioner may cause appropriate inspections to be made to determine under applicable statutory and promulgated rule requirements, the applicant's risk category and fitness to engage in the ~~mode(s) of~~ business activities described in that person's license application. A valid and properly displayed license shall be sufficient to allow the licensee to engage in the manner of food handling so described in the licensee's application, provided that the commissioner may withhold authorization to engage in any aspects of business for which the applicant is not deemed fit under this section. A licensee may, at any time, apply to change such application which shall then be considered by the commissioner in the same manner as a new or renewal application hereunder.

Sec. 8. Minnesota Statutes 2024, section 28A.0753, subdivision 3, is amended to read:

Subd. 3. **Food ~~manufacturer, processor, or distributor~~ handlers who manufacture, process, or distribute; licensing, preemption by state.** When a food ~~manufacturer, processor, or distributor~~ handler described in section 28A.05, subdivision 1, paragraph (a), clauses (2) and (3), is licensed by the commissioner of agriculture, the food ~~manufacturer, processor or distributor~~ handler is exempt from the licensing requirements of any municipal corporation or subdivision of state government, except for licensing requirements which may be imposed by the municipal corporation or subdivision of state government in which the ~~manufacturer, processor, or distributor~~ food handler locates a plant. All delivery equipment used by such a food ~~manufacturer, processor or distributor~~ handler is included within the meaning of this section, whether owned or operated, independently contracted, or contracted with a common carrier approved by the commissioner of agriculture. This delivery equipment is exempt from licensing by any municipal corporation or subdivision of state government except for those requirements which may be imposed by the municipal corporation or subdivision of state government in which the equipment is principally located. Delivery equipment approved by the commissioner of agriculture shall carry, at all times, a certificate of approval for the purposes for which the equipment is utilized. Nothing in this section is intended to permit the enactment of an ordinance regulating an activity where the state has preempted the field.

Sec. 9. Minnesota Statutes 2024, section 28A.08, is amended to read:

28A.08 LICENSE FEES; PENALTIES.

Subdivision 1. **General.** (a) License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units

operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

(b) The commissioner may adjust the fees in subdivision 3 every five years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

Subd. 3. **Fees effective ~~July 1, 2003~~ August 1, 2025.**

	Type of food handler	Risk Category	License Fee ~~Effective July 1, 2003~~	Penalties Late Renewal	Penalties No License
1.	~~Retail food handler or Custom exempt food handler~~				
	~~(a) Having gross sales of only prepackaged nonperishable food of less than $15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner~~		~~$50~~	~~$17~~	~~$33~~
	~~(b)~~ (a) Having ~~under $15,000 gross sales or service including food preparation or having $15,000 to $50,000~~ or less gross sales or service for the immediately previous license or fiscal year		~~$77~~ $135	~~$25~~ $45	~~$51~~ $90
	~~(c)~~ (b) Having $50,001 to ~~$250,000~~ $125,000 gross sales or service for the immediately previous license or fiscal year		~~$155~~ $200	~~$51~~ $67	~~$102~~ $133
	~~(d)~~ (c) Having ~~$250,001~~ $125,001 to ~~$1,000,000~~ $500,000 gross sales or service for the immediately previous license or fiscal year		~~$276~~ $370	~~$91~~ $123	~~$182~~ $247
	~~(e)~~ (d) Having ~~$1,000,001~~ $500,001 to ~~$5,000,000~~ $1,000,000 gross sales or service for the immediately previous license or fiscal year		~~$799~~ $475	~~$264~~ $158	~~$527~~ $317
	~~(f)~~ (e) Having ~~$5,000,001~~ $1,000,001 to ~~$10,000,000~~ $5,000,000 gross sales or service for the immediately previous license or fiscal year		~~$1,162~~ $1,350	~~$383~~ $450	~~$767~~ $900
	(f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year		$1,750	$583	$1,167
	(g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year		~~$1,376~~ $2,150	~~$454~~ $717	~~$908~~ $1,433
	(h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year		~~$1,607~~ $2,550	~~$530~~ $849	~~$1,061~~ $1,700
	(i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year		~~$1,847~~ $2,950	~~$610~~ $984	~~$1,219~~ $1,967

(j) Having over $25,000,001 gross sales or service for the immediately previous license or fiscal year		~~$2,001~~ $3,350	~~$660~~ $1,117	~~$1,321~~ $2,233
2. ~~Wholesale Food handler~~				
(a) Having gross sales of only prepackaged nonperishable food of less than $30,000 for the immediately previous license or fiscal year and filing a statement with the commissioner		$90	$30	$60
~~(a)~~ (b) Having gross sales or service of less than ~~$25,000~~ $50,000 for the immediately previous license or fiscal year	High Medium Low	~~$57~~ $285 $195 $135	~~$19~~ $95 $65 $45	~~$38~~ $190 $130 $90
~~(b)~~ (c) Having ~~$25,001~~ $50,001 to ~~$250,000~~ $125,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	~~$284~~ $350 $260 $200	~~$94~~ $117 $87 $67	~~$187~~ $233 $173 $133
~~(c)~~ (d) Having ~~$250,001~~ $125,001 to ~~$1,000,000~~ $250,000 gross sales or service ~~from a mobile unit without a separate food facility for the immediately previous license or fiscal year~~	High Medium Low	~~$444~~ $415 $350 $265	~~$147~~ $138 $117 $88	~~$293~~ $277 $233 $177
~~(d)~~ (e) Having $250,001 to ~~$1,000,000~~ $500,000 gross sales or service ~~not covered under paragraph (c) for the immediately previous license or fiscal year~~	High Medium Low	~~$590~~ $520 $430 $370	~~$195~~ $173 $143 $123	~~$389~~ $347 $287 $247
~~(e)~~ (f) Having ~~$1,000,001~~ $500,001 to ~~$5,000,000~~ $1,000,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	~~$769~~ $625 $535 $475	~~$254~~ $208 $178 $158	~~$508~~ $417 $357 $317
~~(f)~~ (g) Having ~~$5,000,001~~ $1,000,001 to ~~$10,000,000~~ $5,000,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	~~$920~~ $1,500 $1,425 $1,350	~~$304~~ $500 $475 $450	~~$607~~ $1,000 $950 $900
(h) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	$1,900 $1,825 $1,750	$633 $608 $583	$1,267 $1,217 $1,167
~~(g)~~ (i) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	~~$990~~ $2,300 $2,225 $2,150	~~$327~~ $767 $742 $717	~~$653~~ $1,533 $1,483 $1,433
~~(h)~~ (j) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	~~$1,156~~ $2,700 $2,625 $2,550	~~$381~~ $900 $875 $849	~~$763~~ $1,800 $1,750 $1,700
~~(i)~~ (k) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	~~$1,329~~ $3,100 $3,025 $2,950	~~$439~~ $1,033 $1,008 $984	~~$877~~ $2,067 $2,017 $1,967
~~(j)~~ (l) Having ~~over $25,000,001 or more~~ to $50,000,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	~~$1,502~~ $3,500 $3,425 $3,350	~~$496~~ $1,167 $1,142 $1,117	~~$991~~ $2,333 $2,283 $2,233
(m) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year	High Medium Low	$4,000 $3,925 $3,850	$1,334 $1,309 $1,284	$2,667 $2,617 $2,567

(n) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year	High	$4,500	$1,500	$3,000	
	Medium	$4,425	$1,475	$2,950	
	Low	$4,350	$1,450	$2,900	
3. ~~Food broker~~ Food handler operating under authority of this chapter solely as a special event food stand as defined in Minnesota Statutes, section 157.15		~~$150~~ $75	~~$50~~ $25	~~$99~~ $50	
4. ~~Wholesale food processor or manufacturer~~					
~~(a) Having gross sales or service of less than $125,000 for the immediately previous license or fiscal year~~		~~$169~~	~~$56~~	~~$112~~	
~~(b) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year~~		~~$392~~	~~$129~~	~~$259~~	
~~(c) Having $250,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~$590~~	~~$195~~	~~$389~~	
~~(d) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~$769~~	~~$254~~	~~$508~~	
~~(e) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~$920~~	~~$304~~	~~$607~~	
~~(f) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~$1,377~~	~~$454~~	~~$909~~	
~~(g) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~$1,608~~	~~$531~~	~~$1,061~~	
~~(h) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~$1,849~~	~~$610~~	~~$1,220~~	
~~(i) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~$2,090~~	~~$690~~	~~$1,379~~	
~~(j) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~$2,330~~	~~$769~~	~~$1,538~~	
~~(k) Having $100,000,000 or more gross sales or service for the immediately previous license or fiscal year~~		~~$2,571~~	~~$848~~	~~$1,697~~	
5. ~~Wholesale food processor of Meat or poultry products~~ processing solely under supervision of the U.S. Department of Agriculture					
(a) Having gross sales or service of less than $125,000 for the immediately previous license or fiscal year		~~$112~~ $190	~~$37~~ $63	~~$74~~ $127	
(b) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year		~~$214~~ $365	~~$71~~ $122	~~$141~~ $243	

(c) Having $250,001 to ~~$1,000,000~~ $500,000 gross sales or service for the immediately previous license or fiscal year	~~$333~~ $450	~~$110~~ $150	~~$220~~ $300
(d) Having $500,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year	$565	$188	$377
~~(d)~~ (e) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	~~$425~~ $725	~~$140~~ $241	~~$281~~ $483
~~(e)~~ (f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	~~$521~~ $885	~~$172~~ $295	~~$344~~ $590
~~(f)~~ (g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year	~~$765~~ $1,305	~~$252~~ $435	~~$505~~ $807
~~(g)~~ (h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	~~$893~~ $1,515	~~$295~~ $505	~~$589~~ $1,010
~~(h)~~ (i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	~~$1,027~~ $1,745	~~$339~~ $582	~~$678~~ $1,163
~~(i)~~ (j) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year	~~$1,161~~ $1,975	~~$383~~ $658	~~$766~~ $1,317
~~(j)~~ (k) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year	~~$1,295~~ $2,215	~~$427~~ $738	~~$855~~ $1,477
~~(k)~~ (l) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year	~~$1,428~~ $2,465	~~$471~~ $822	~~$942~~ $1,643
~~6. Wholesale food processor or manufacturer operating only at the State Fair~~	~~$125~~	~~$40~~	~~$50~~
~~7. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese~~	~~$30~~	~~$10~~	~~$15~~
~~8. Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk~~	~~$30~~	~~$10~~	~~$15~~
~~9. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer~~	~~$50~~	~~$15~~	~~$25~~

Subd. 4. **Food handler license account; appropriation.** A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 and section 28A.04 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to ~~licensing and inspecting~~ regulating food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 10. Minnesota Statutes 2024, section 28A.081, subdivision 1, is amended to read:

Subdivision 1. **Fee.** A fee of $125 for each certificate shall be charged to any person who requests a certificate issued by the Minnesota Department of Agriculture to facilitate the movement of Minnesota processed and manufactured foods destined for export from the state of Minnesota. Certificates include, but are not limited to, a certificate of free sale, certificate of export, certificate of sanitation, sanitary certificate, certificate of origin and/or free sale, certificate of health and/or free sale, sanitation, and purity, certificate of free trade, certificate of free sale, sanitation, purity, and origin, certificate of health, sanitation, purity, and free sale, and letter of plant certification.

The commissioner ~~shall~~ must receive payment with the request or bill the requesting person within seven days after issuing a certificate to the person. The requesting person must submit payment for a certificate at the time of receiving the request or within ten days of the billing date. If a certificate fee payment is not received within 15 days of the billing date, the commissioner may not issue any future certificates to the requesting person until previous fees due are paid in full. Fees paid under this section must be deposited in the food certificate account established under subdivision 2 or another account in the agricultural fund if the expenses for the certificate will be paid from that other account.

Sec. 11. Minnesota Statutes 2024, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler or custom exempt food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32D, 33, or 34, or rules adopted under one of those chapters; or

(2) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32D, or 34.

The first reinspection of a firm with gross food sales under $1,000,000 must be assessed at ~~$150~~ $250. The fee for a firm with gross food sales over $1,000,000 is ~~$200~~ $300. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee or ~~$300~~ $500, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 12. Minnesota Statutes 2024, section 28A.14, is amended to read:

28A.14 TRANSFER OF BUSINESS.

(a) Except as provided in paragraph (b), a transfer of a business or a discontinuance of its operation by the licensee at the address covered by the license voids the license and the license certificate shall be surrendered to the commissioner immediately by anyone in possession of the same.

(b) If a licensee discontinues operating at an additional location authorized under section 28A.06, the license is not void if the licensee has provided written notification to the commissioner.

Sec. 13. Minnesota Statutes 2024, section 28A.151, subdivision 2, is amended to read:

Subd. 2. **Food sampling and demonstration.** (a) Food used in sampling and demonstration must be obtained from sources that comply with Minnesota Food Law.

(b) Raw animal, raw poultry, and raw fish products must not be served as samples.

(c) Food product sampling or food product demonstrations~~, including~~ that contain cooked animal, poultry, or fish products~~,~~ must be prepared on site at the event.

(d) Animal or poultry products used for food product sampling or food product demonstrations must ~~be~~ originate from animals slaughtered under continuous inspection, either by the USDA or through Minnesota's "Equal-to" inspection program.

(e) The licensing provisions of sections 28A.01 to 28A.16 shall not apply to persons engaged in food product sampling or food product demonstrations.

Sec. 14. Minnesota Statutes 2024, section 28A.152, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions applicability.** (a) Except as provided in paragraph (d), the licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) ~~an individual~~ a person who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and the registration number or address of the ~~individual~~ person preparing and selling the food, the date on which the food was prepared, the ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."; and

(ii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) ~~an individual~~ a person who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower or a water activity value of .85 or less;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and the registration number or address of the ~~individual~~ person who processed and canned the goods, the date on which the goods were processed and canned, ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."

(b) ~~An individual~~ A person who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

(c) ~~An individual who qualifies~~ To qualify for an exemption under paragraph (a) ~~may organize the individual's cottage food business as a business entity recognized by state law~~, a person must be an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence.

(d) A person cannot qualify for an exemption under paragraph (a) if the person holds a food handler license required under section 28A.04.

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

Sec. 15. Minnesota Statutes 2024, section 28A.152, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** (a) ~~An individual~~ A person qualifying for an exemption under subdivision 1 may sell the exempt food:

(1) directly to the ultimate consumer at a community event or farmers' market;

(2) directly from the ~~individual's~~ person's home to the ultimate consumer, to the extent allowed by local ordinance; or

(3) through donation to a community event with the purpose of fundraising for an individual, or fundraising for an educational, charitable, or religious organization.

(b) ~~If~~ An exempt food product ~~will~~ may be delivered to the ultimate consumer upon sale of the food product~~,~~ by the ~~individual~~ person who prepared the food product ~~must be the person who delivers the food product to the ultimate consumer~~, by mail, or by commercial delivery.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

(d) Food products exempt under subdivision 1 may be sold over the Internet ~~but must be delivered directly to the ultimate consumer by the individual who prepared the food product~~. The statement "These products are homemade and not subject to state inspection. " must be displayed on the website that offers the exempt foods for purchase.

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

Sec. 16. Minnesota Statutes 2024, section 28A.152, subdivision 3, is amended to read:

Subd. 3. **Limitation on sales.** ~~An individual~~ A person selling exempt foods under this section is limited to total sales with gross receipts of $78,000 or less in a calendar year.

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

Sec. 17. Minnesota Statutes 2024, section 28A.152, subdivision 4, is amended to read:

Subd. 4. **Registration.** ~~An individual~~ A person who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register ~~an individual~~ a person within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following ~~an individual's~~ a person's complete registration to the commissioner. The annual registration fee is ~~$50~~ $30. ~~An individual with $5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee. By January 1, 2022, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2002 as the index year for the $5,000 gross receipts exemption.~~

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

Sec. 18. Minnesota Statutes 2024, section 28A.152, subdivision 5, is amended to read:

Subd. 5. **Training.** ~~(a) An individual~~ A person who sells exempt food under this section and is required to pay the registration fee in subdivision 4 must complete a safe food handling training course that is approved by the commissioner before registering under subdivision 4. The training shall not exceed eight hours and must be completed every three years while the ~~individual~~ person is registered under subdivision 4.

~~(b) An individual who sells exempt food under this section and is exempt from paying the registration fee in subdivision 4 must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.~~

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

Sec. 19. Minnesota Statutes 2024, section 28A.152, is amended by adding a subdivision to read:

Subd. 8. **Adjustments.** The commissioner must adjust the limitation on sales in subdivision 3 every two years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

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

Sec. 20. Minnesota Statutes 2024, section 28A.17, is amended to read:

28A.17 LICENSE RENEWAL.

Licenses for food ~~processors or manufacturers or food brokers~~ handlers shall be renewed annually ~~on January 1. Licenses for retail and wholesale food handlers shall be renewed annually on July 1. Licenses for mobile food concessions and for retail mobile units shall be renewed annually on April 1~~ prior to the end of the licensing period. Approval of license renewal is contingent upon conditions described in section 28A.07 and payment of license fees identified in section 28A.08.

Sec. 21. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective August 1, 2025."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agriculture provisions; modifying livestock marketing agency and dealer licensing provisions; modifying food handler licensing provisions; modifying the cottage foods licensing exemption; modifying and establishing fees; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.1017; 17.1018; 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivisions 1, 2; 17A.03, subdivisions 8, 10, 11, by adding a subdivision; 17A.04, subdivisions 1, 2, 4, 6, 7, 8; 17A.06, subdivisions 2, 3; 17A.07; 17A.08; 17A.15; 18.79, subdivision 3; 18B.26, subdivision 8; 18B.37, subdivision 6; 18C.111, by adding a subdivision; 25.391, subdivisions 1, 2; 28A.03, subdivision 7, by adding subdivisions; 28A.04; 28A.05; 28A.06; 28A.07; 28A.0753, subdivision 3; 28A.08; 28A.081, subdivision 1; 28A.085, subdivision 1; 28A.14; 28A.151, subdivision 2; 28A.152, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 28A.17; 32D.01, by adding a subdivision; 35.155, subdivision 12; 41A.16, subdivision 7; 41B.039, subdivision 2; 41B.0391, subdivisions 1, 2, 4, by adding a subdivision; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1; 41B.057, subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 32D; repealing Minnesota Statutes 2024, sections 35.68; 35.830; 239.77, subdivision 5."

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

House Conferees: PAUL ANDERSON, BOBBIE HARDER, JOHN BURKEL, RICK HANSEN, ANDY SMITH AND DAVID GOTTFRIED.

Senate Conferees: ARIC PUTNAM, TORREY WESTROM AND ROBERT KUPEC.

Anderson, P. H., moved that the report of the Conference Committee on H. F. No. 2446 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2446, A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agricultural provisions; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.133, subdivision 2; 18B.01, subdivision 1d, by adding a subdivision; 18B.30; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 18C.

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 130 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Fogelman	Gordon	Murphy	Roach

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. 2298.

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. 2298

A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; establishing a task force on homeowners and commercial property insurance; removing certain real property recording fees; transferring money; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 327C.095, subdivision 12; 462A.051, subdivision 2; 462A.07, subdivision 19, by adding a subdivision; 462A.2095, subdivision 3; 462A.222, by adding a subdivision; 462A.33, subdivisions 2, 9; 462A.40, subdivision 3; 507.18, subdivisions 5, 6; Laws 2023, chapter 37, article 1, section 2, subdivisions 20, 21, 29, as amended; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43.

May 16, 2025

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. 2298 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. 2298 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
HOUSING BUDGET

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agency for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	APPROPRIATIONS Available for the Year Ending June 30 2026	2027
Sec. 2. **HOUSING FINANCE AGENCY**		
Subdivision 1. **Total Appropriation**	**$101,148,000**	**$82,798,000**
(a) The amounts that may be spent for each purpose are specified in the following subdivisions.		
(b) Unless otherwise specified, the appropriations for the programs in this section are appropriated and made available for the purposes of the housing development fund. Except as otherwise indicated, the amounts appropriated are part of the agency's permanent budget base.		
Subd. 2. **Challenge Program**	14,925,000	12,925,000
(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.		
(b) Of this amount, $1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.		
(c) The base for this program in fiscal year 2028 and beyond is $12,925,000.		
Subd. 3. **Workforce Housing Development**	2,000,000	2,000,000
This appropriation is for the greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income- and rent-restricted units. Funded properties may include owner-occupied homes.		
Subd. 4. **Manufactured Home Park Infrastructure Grants**	1,000,000	1,000,000
This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.		
Subd. 5. **Workforce Homeownership Program**	2,250,000	250,000
(a) This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.		

(b) The base for this program in fiscal year 2028 and beyond is $250,000.

Subd. 6. **Rent Assistance Program**	23,000,000	23,000,000

This appropriation is for the rent assistance program under Minnesota Statutes, section 462A.2095.

Subd. 7. **Housing Trust Fund**	11,646,000	11,646,000

This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

Subd. 8. **Homework Starts with Home**	2,750,000	2,750,000

This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless families, those at risk of homelessness, or highly mobile families.

Subd. 9. **Rental Assistance for Mentally Ill**	5,338,000	5,338,000

(a) This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

(b) Notwithstanding any law to the contrary, this appropriation may be used for risk mitigation funds, landlord incentives, or other costs necessary to decrease the risk of homelessness, as determined by the agency.

Subd. 10. **Family Homeless Prevention**	18,619,000	10,269,000

(a) This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204.

(b) Notwithstanding any law to the contrary, this appropriation may be used for program costs necessary to decrease the risk of homelessness and improve the effectiveness of the program, as determined by the agency.

(c) When a new grantee works with a current or former grantee in a given geographic area, a new grantee may work with either an advisory committee as required under Minnesota Statutes, section 462A.204, subdivision 6, or the local continuum of care and is not required to meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.

(d) Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees.

(e) The base for this program in fiscal year 2028 and beyond is $10,719,000.

Subd. 11. **Home Ownership Assistance Fund** 2,885,000 885,000

(a) This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and Indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

(b) The base for this program in fiscal year 2028 and beyond is $885,000.

Subd. 12. **Affordable Rental Investment Fund** 4,218,000 4,218,000

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 13. **Owner-Occupied Housing Rehabilitation** 2,772,000 2,772,000

(a) This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 14. **Rental Housing Rehabilitation** 3,743,000 3,743,000

(a) This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 15. **Homeownership Education, Counseling, and Training** 857,000 857,000

This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

Subd. 16. **Capacity Building Grants** 645,000 645,000

This appropriation is for capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

Subd. 17. **Build Wealth Minnesota** 500,000 500,000

This appropriation is for a grant to Build Wealth Minnesota to provide a family stabilization plan program including program outreach, financial literacy education, and budget and debt counseling.

Subd. 18. **Greater Minnesota Housing Infrastructure Grants** 2,000,000 -0-

This appropriation is for the greater Minnesota housing infrastructure grant program under Minnesota Statutes, section 462A.395. This is a onetime appropriation.

Subd. 19. **Community-Based First-Generation Homebuyers Down Payment Assistance** 2,000,000 -0-

This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC), through its wholly owned subsidiary CDC Investments, Inc., for the community-based first-generation homebuyers down payment

assistance program under Laws 2023, chapter 37, article 2, section 9, as amended. At the end of each biennium, MMCDC must remit any unused funds to the Minnesota Housing Finance Agency. Funds remitted to the agency under this subdivision are appropriated to the agency to administer the workforce and affordable homeownership development program under Minnesota Statutes, section 462A.38. This is a onetime appropriation.

Subd. 20. **Availability and Transfer of Funds**

Money appropriated in the first year in this article is available the second year. After notifying the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy, the commissioner may shift or transfer money in the second year in subdivisions 2, 3, 4, 5, 12, 13, and 14 to address high-priority housing needs.

Sec. 3. Laws 2023, chapter 37, article 1, section 2, subdivision 29, as amended by Laws 2024, chapter 127, article 14, section 11, is amended to read:

Subd. 29. **Community Stabilization**	45,000,000	~~70,000,000~~ 68,000,000

(a) This appropriation is for the community stabilization program. This a onetime appropriation.

(b) The first year and second year appropriations are available as follows:

(1) $10,000,000 is for a grant to AEON for Huntington Place;

(2) notwithstanding Minnesota Statutes, sections 16B.98, subdivisions 5 and 12, and 16B.981, subdivision 2, $3,250,000 is for a grant to the Wilder Park Association to assist with the cost of a major capital repair project for the rehabilitation of portions of the owner-occupied senior high-rise facility. The grantee must verify that 50 percent of units are occupied by households with incomes at or below 60 percent of area median income;

(3) $41,750,000 is for multiunit rental housing;

(4) ~~$10,000,000~~ $8,000,000 is for single-family housing; and

(5) $50,000,000 is for recapitalization of distressed buildings. Of this amount, up to $15,000,000 is for preservation or recapitalization of housing that includes supportive housing.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs for the grants in paragraph (b), clauses (1) and (2). This is a onetime appropriation.

Sec. 4. **REPEALER.**

(a) Minnesota Statutes 2024, section 16A.287, is repealed.

(b) Minnesota Statutes 2024, section 462A.43, is repealed.

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

ARTICLE 2
HOUSING INFRASTRUCTURE BONDS

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

Subd. 2k. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2j and 3a, the agency may issue up to $50,000,000 in one or more series to which the payments under this section may be pledged.

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

Sec. 2. Minnesota Statutes 2024, section 462A.37, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 3
HOUSING POLICY

Section 1. Minnesota Statutes 2024, section 327C.095, subdivision 12, is amended to read:

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the Minnesota Housing Finance Agency for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the

manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or $3,250 for each single section manufactured home, and $6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.015, subdivision 14; the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1; or the owner of the manufactured home has not paid the $15 assessment when due under paragraph (c).

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than $2,000,000 as of June 30 of each year, the Minnesota Housing Finance Agency shall assess each manufactured home park owner by mail the total amount of $15 for each licensed lot in their park, payable on or before December 15 of that year. Failure to notify and timely assess the manufactured home park owner by July 31 of any year shall waive the assessment and payment obligations of the manufactured home park owner for that year. Together with said assessment notice, each year the Minnesota Housing Finance Agency shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, a notice for distribution to the residents, and a sample form for the park owners to collect information on which park residents and lots have been accounted for. The agency must also include information in the letter about the tax credit available for sales of manufactured home parks to cooperatives in section 290.0694 and about notice requirements for unsolicited sales in section 327C.097. The agency may include additional information in the letter about programs and resources available to manufactured home park residents and owners. In a font no smaller than 14-point, the notice provided by the Minnesota Housing Finance Agency for distribution to residents by the park owner will include the payment deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE. IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may recoup the cost of the $15 assessment as a lump sum or as a monthly fee of no more than $1.25 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to

residents for the $15 lump sum, a park owner may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and for park residents who have not paid the $15 assessment when due to the park owner by October 31, and deduct from the assessment accordingly. The Minnesota Housing Finance Agency shall deposit any payments in the Minnesota manufactured home relocation trust fund and maintain an annual record for each manufactured home park of the amount received for that park and the number of deductions made for each of the following reasons: vacant lots, ineligible lots, and uncollected fees.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

Sec. 2. Minnesota Statutes 2024, section 462A.051, subdivision 2, is amended to read:

Subd. 2. **Application.** This section applies to all forms of financial assistance provided by the Minnesota Housing Finance Agency, as well as the allocation and award of federal low-income housing credits by all allocating agencies as defined under section 462A.221, for the development, construction, rehabilitation, renovation, or retrofitting of ~~multiunit residential~~ multifamily housing, including loans, grants, tax credits, loan guarantees, loan insurance, and other financial assistance.

Sec. 3. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to read:

Subd. 21. **Promotion of materials on rights and obligations of landlords and residential tenants.** The commissioner shall publish information on the rights and obligations of landlords and residential tenants, including promotion of the statement required under section 504B.275. The commissioner must prominently display this information on the agency website.

Sec. 4. Minnesota Statutes 2024, section 462A.2095, subdivision 2, is amended to read:

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

(b) "Eligible household" means a household with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying more than 30 percent of the household's annual income on rent. Eligibility is determined at the time a household first receives rent assistance under this section. ~~Eligibility~~ Income shall be recertified every year thereafter for the purposes of determining the amount of rent assistance under subdivision 4. Eligible household does not include a household receiving federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended.

(c) "Program administrator" means:

(1) a housing and redevelopment authority or other local government agency or authority that administers federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended;

(2) a Tribal government or Tribally designated housing entity; or

(3) if there is no entity under clause (1) or (2) with the capacity to administer the program, a nongovernmental organization determined by the agency to have the capacity to administer the program.

Sec. 5. Minnesota Statutes 2024, section 462A.2095, subdivision 3, is amended to read:

Subd. 3. **Grants to program administrators.** (a) The agency may make grants to program administrators to provide rental assistance for eligible households. Notwithstanding section 16C.06, the commissioner may use a formula to determine award amounts to program administrators. For both tenant-based and project-based assistance, program administrators shall pay assistance directly to housing providers. Rental assistance may be provided in the form of tenant-based assistance or project-based assistance. Notwithstanding the amounts awarded under subdivision 1, paragraph (b), and to the extent practicable, the agency must make grants statewide in proportion to the number of households eligible for assistance in each county according to the most recent American Community Survey of the United States Census Bureau. The agency may, at its discretion, redistribute unused or underutilized funds among eligible program administrators to increase program efficiency and effectiveness.

(b) The program administrator may use its existing procedures to administer the rent assistance program or may develop alternative procedures with the goals of reaching households most in need and incentivizing landlord participation. The agency must approve a program administrator's alternative procedures. Priority for rental assistance shall be given to households with children 18 years of age and under, and annual incomes of up to 30 percent of the area median income. Program administrators may establish additional priority populations based on local need.

Sec. 6. Minnesota Statutes 2024, section 462A.33, subdivision 2, is amended to read:

Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city~~,~~; a federally recognized American Indian Tribe or subdivision located in Minnesota~~,~~; a Tribal housing corporation~~,~~; a private developer~~,~~; a nonprofit organization~~,~~; a school district~~,~~; a cooperative unit, as defined in section 123A.24, subdivision 2~~,~~; a charter school~~,~~; a contract alternative school; a Tribal contract school; or the owner of the housing, including individuals. For the purpose of this section, "city" has the meaning given ~~it~~ in section 462A.03, subdivision 21. To the extent practicable, grants and loans shall be made so ~~that~~ an approximately equal number of housing units are financed in the metropolitan area and in the nonmetropolitan area.

Sec. 7. Minnesota Statutes 2024, section 462A.33, subdivision 9, is amended to read:

Subd. 9. **Grant funding to schools.** A school district; a cooperative unit, as defined in section 123A.24, subdivision 2; ~~or~~ a charter school; a contract alternative school; a Tribal contract school; or a nonprofit organization contracted by one of the preceding entities may receive funding under this section in the form of a grant less than $100,000. ~~A school district, intermediate district, or charter school~~ A grantee under this subdivision that uses a grant under this ~~section~~ subdivision to construct a home for owner occupancy must require the future occupant to participate in the homeownership education counseling and training program under section 462A.209.

Sec. 8. Minnesota Statutes 2024, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to $30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, adaptive reuse, and rehabilitation of supportive housing where at least 50 percent of units are set aside for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing or for affordable home ownership and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing;

(6) to finance the costs of acquisition, rehabilitation, and replacement of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs;

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing;

(8) to finance the costs of construction, acquisition, adaptive reuse, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size; and

(9) to finance the costs of construction, acquisition, rehabilitation, conversion, and development of cooperatively owned housing created under chapter 308A, 308B, or 308C that is affordable to low- and moderate-income households.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to senior households;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and

(4) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

(d) To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

(e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of the area median income.

(f) If a loan recipient uses the loan for new construction as defined by the agency on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by the agency from meeting other applicable accessibility requirements.

Sec. 9. Laws 2023, chapter 37, article 1, section 2, subdivision 20, is amended to read:

Subd. 20. **Community-Based First-Generation Homebuyers Down Payment Assistance**		100,000,000	-0-

This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC) to act as the administrator of the community-based first-generation homebuyers down payment assistance program. The funds shall be available to MMCDC for a three-year period commencing with issuance of the funds to MMCDC. At the expiration of that period, any unused funds shall be remitted to the agency. ~~Any funds recaptured by MMCDC after the expiration of that period shall be remitted to the agency.~~ Funds remitted to the agency under this paragraph are appropriated to the agency for administration of the first-generation homebuyers down payment assistance fund.

Sec. 10. Laws 2023, chapter 37, article 1, section 2, subdivision 21, is amended to read:

Subd. 21. **Local Housing Trust Fund Grants** 4,800,000 -0-

(a) This appropriation is for deposit in the housing development fund for grants to local housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding. This is a onetime appropriation.

(b) A grantee is eligible to receive a grant amount equal to 100 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government, up to $150,000, and in addition, an amount equal to 50 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than $150,000 but not more than $300,000.

(c) A grantee must use grant funds within ~~eight~~ five years of receipt for purposes (1) authorized under Minnesota Statutes, section 462C.16, subdivision 3, and (2) benefiting households with incomes at or below 115 percent of the state median income. A grantee must return any grant funds not used for these purposes within eight years of receipt to the commissioner of the Minnesota Housing Finance Agency for deposit into the housing development fund.

Sec. 11. Laws 2023, chapter 37, article 2, section 9, is amended to read:

Sec. 9. **COMMUNITY-BASED FIRST-GENERATION HOMEBUYERS ASSISTANCE PROGRAM.**

Subdivision 1. **Establishment.** A community-based first-generation homebuyers down payment assistance program is established as a ~~pilot project~~ program under the administration of the Midwest Minnesota Community Development Corporation (MMCDC), a community development financial institution (CDFI) as defined under the Riegle Community Development and Regulatory Improvement Act of 1994, to provide targeted assistance to eligible ~~households~~ homebuyers.

Subd. 2. **Eligible ~~household~~ homebuyer.** For purposes of this section, ~~"eligible household"~~ "eligible homebuyer" means ~~a household~~ an adult person:

(1) whose income is at or below 100 percent of the ~~area~~ statewide median income at the time of ~~purchase~~ application; ~~and~~

~~(2) that includes at least one adult member:~~

~~(i)~~ (2) who is preapproved for a first mortgage loan; and

~~(ii)~~ (3)(i) who either never owned a home or who owned a home but lost it due to foreclosure; and

~~(iii)~~ (ii) whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.

~~At least one adult household member meeting the criteria under clause (2)~~ The eligible homebuyer must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as their primary residence.

Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the purchase price of a one or two unit home, not to exceed $32,000. Beginning in fiscal year 2027, the maximum amount of assistance may be increased to up to ten percent of the median home sales price as reported in the previous year's Minnesota Realtors Annual Report on the Minnesota Housing Market. Funds are reserved at the issuance of preapproval. Reservation of funds is not contingent on having an executed purchase agreement. The assistance must be provided in the form of a no-interest loan that is forgiven over five years, forgivable at a rate of 20 percent per year on the day after the anniversary date of the note, with the final 20 percent forgiven on the down payment assistance loan maturity date. There is no monthly pro rata or partial year credit. The loan has no monthly payment and does not accrue interest. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship. MMCDC may retain recaptured funds for assisting eligible homebuyers as provided in this section. Funds may be used for closing costs, down payment, or principal reduction. The eligible household may select any first mortgage lender or broker of their choice, provided that the funds are used in conjunction with a conforming first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage or meets the minimum standards for exemption under Code of Federal Regulations, title 12, section 1026.43. Funds may be used in conjunction with other programs the eligible household may qualify for and the loan placed in any priority position.

Subd. 4. **Administration.** The community-based first-generation homebuyers down payment assistance program is available statewide and shall be administered by MMCDC, the designated central CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance to reserve, originate, fund, and service funds for eligible ~~households~~ homebuyers. Administrative costs must not exceed ~~$3,200 per loan~~ ten percent of the fiscal year appropriation.

Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator, MMCDC, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy the following information:

(1) the number and amount of loans closed;

(2) the median loan amount;

(3) the number and amount of loans issued by race or ethnic categories;

(4) the median home purchase price;

(5) the interest rates and types of mortgages;

(6) the credit scores of both applicants and households served;

(7) the total amount returned to the fund; ~~and~~

(8) the number and amount of loans issued by county~~.~~;

(9) the number of each type of housing purchased, including but not limited to single-family houses, townhouses, condominiums, and manufactured housing; and

(10) the mean and median price of each type of housing, including but not limited to single-family houses, townhouses, condominiums, and manufactured housing.

Sec. 12. Laws 2023, chapter 37, article 2, section 10, is amended to read:

Sec. 10. **HIGH-RISE SPRINKLER SYSTEM GRANT AND LOAN**

PROGRAM.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible building" means an existing residential building in which:

(1) ~~at least one story used for human occupancy is~~ the building is seven stories or more in height or 75 feet or more above the lowest level of fire department vehicle access; and

(2) at least two-thirds of its units are affordable to households with an annual income at or below ~~50~~ 60 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size~~, that is paying no more than 30 percent of annual income on rent~~.

(c) "Sprinkler system" means the same as the term "fire protection system" as defined in Minnesota Statutes, section 299M.01.

Subd. 2. ~~**Grant program**~~ **Use of funds.** The commissioner of the Housing Finance Agency must make grants or loans to owners of eligible buildings for installation of sprinkler systems and, if necessary, for relocation of residents during the installation of sprinkler systems. Priority shall be given to nonprofit applicants. The maximum grant per eligible building shall be $2,000,000. Each grant to a nonprofit organization shall require a 25 percent match. Each grant to a for-profit organization shall require a 50 percent match.

Sec. 13. **LOCAL ACTIONS TO SUPPORT HOUSING.**

Where practicable, the commissioner of the Housing Finance Agency shall award an additional point or points, not to exceed five percent of the total available points in a given competitive development program, to proposals in competitive capital development programs if the proposed project is located in a jurisdiction that meets any of the following criteria to reduce barriers to affordable housing development:

(1) the jurisdiction allows for the development of multifamily housing in at least 50 percent of the area within the jurisdiction zoned as a commercial district, excluding areas covered by state or local shoreland regulations;

(2) the jurisdiction allows for duplexes, accessory dwelling units, or townhomes within 50 percent of the area within the jurisdiction zoned for single-family housing, excluding areas covered by state or local shoreland regulations;

(3) the jurisdiction does not have parking mandates greater than one stall per unit of housing for single-family housing;

(4) the jurisdiction does not have parking mandates greater than one stall per unit of housing for multifamily developments;

(5) the jurisdiction does not mandate lot sizes larger than one-eighth of an acre for new single-family home construction, excluding areas covered by state or local shoreland regulations;

(6) the jurisdiction does not place aesthetic mandates on new single-family construction, including type of exterior finish materials, including siding; the presence of shutters, columns, gables, decks, balconies, or porches; or minimum garage square footage, size, width, or depth;

(7) the jurisdiction has a density bonus for affordable housing that provides for an increase in floor area and lot coverage if the housing is affordable housing; or

(8) the jurisdiction has adopted an inclusionary zoning policy for the purpose of increasing the supply of affordable housing.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to selection criteria and scoring systems developed on or after that day. This section expires December 31, 2029.

Sec. 14. **PRESERVATION FRAMEWORK FOR TARGETED STABILIZATION OF REGULATED AFFORDABLE HOUSING.**

(a) The commissioner of the Minnesota Housing Finance Agency must work with members of the affordable housing industry, representing diverse racial and geographic perspectives including the Interagency Stabilization Group, affordable housing providers, supportive service providers, legal services, and housing stakeholders, to develop a preservation framework for the targeted stabilization of regulated affordable rental housing. The goal of this framework is to preserve and sustain affordable housing development organizations, the affordable rental buildings they own, and the housing for the people who live in the buildings today and in the future. To the extent practicable, the framework must identify:

(1) strategies, tools, and funding mechanisms to support targeted stabilization of affordable rental housing and recapitalization of distressed properties;

(2) options for temporary or permanent modifications to financing and regulatory terms and conditions, which may include changes to compliance requirements such as rent and income limits;

(3) potential improvements to processes and programs that are critical to the operations of permanent supportive housing including but not limited to coordinated entry, front desk and service funding, and relief options if there is a lack of identified service dollars or service providers;

(4) strategies for asset management to support long-term stabilization of regulated affordable housing; and

(5) state statutory changes needed to support or enable identified strategies.

(b) The framework shall identify options for tenant protections that may be needed during stabilization efforts. The agency must also consider such factors as protecting public resources and legal requirements.

(c) By February 15, 2026, the commissioner of the Minnesota Housing Finance Agency must submit the preservation framework to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy on the preservation framework, including any improvements implemented as well as any potential changes to existing state statute that may be needed to support targeted stabilization of regulated affordable housing and recapitalization of distressed properties.

Sec. 15. **REPORT ON MINNESOTA HOUSING FINANCE AGENCY ASSET PORTFOLIO.**

By March 31, 2026, and March 31, 2027, the commissioner of the Minnesota Housing Finance Agency shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy on the financial stability of the agency's asset management portfolio. The report must include the following information from the previous year for individual properties:

(1) the ratio of operating expenses to revenue, including debt service and replacement reserves; and

(2) a summary of aggregate tenant receivables, which includes the amount of late rent, tenant fees, and tenant damages.

Sec. 16. **REPORT ON ACCESSIBLE HOUSING.**

By February 15, 2026, the commissioner of the Minnesota Housing Finance Agency must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy on the state's Olmstead Plan activities related to affordable and accessible housing for persons with disabilities, including topics or areas that may require legislative action.

ARTICLE 4
HOUSING MISCELLANEOUS POLICY

Section 1. Minnesota Statutes 2024, section 462C.16, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

(c) "Fund" means a local housing trust fund or a regional housing trust fund.

(d) "Local government" means any statutory or home rule charter city, a housing and redevelopment authority, or a county.

(e) "Local housing trust fund" means a fund established by a local government with one or more dedicated sources of public revenue for housing.

(f) "Regional housing trust fund" means a fund established and administered under a joint powers agreement entered into by two or more local governments with one or more dedicated sources of public revenue for housing.

Sec. 2. Minnesota Statutes 2024, section 477A.35, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

(d) Any program income generated from funds distributed under this section must be used on a qualifying project.

Sec. 3. Minnesota Statutes 2024, section 477A.36, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the tier I city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the tier I city or county, funds shall be considered spent on a qualifying project if the funds are transferred to a local housing trust fund. Funds transferred to a local housing trust fund must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

(d) Any program income generated from funds distributed under this section must be used on a qualifying project.

Sec. 4. Minnesota Statutes 2024, section 504B.161, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises and all common areas in reasonable repair during the term of the lease or license, including services and conditions listed in section 504B.381, subdivision 1, and extermination of insects, rodents, vermin, or other pests on the premises, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee;

(3) to make the premises and all common areas reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost;

(4) to maintain the premises and all common areas in compliance with the applicable health and safety laws of the United States, of the state, and of the local units of government, including ordinances regulating rental licensing, where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(5) to ~~supply~~ equip or furnish heat capable of maintaining at a minimum temperature of 68 degrees Fahrenheit in all places intended for habitation including kitchens and bathrooms from October 1 through April 30, unless a utility company requires and instructs the heat to be reduced.

(b) The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 5. Minnesota Statutes 2024, section 504B.206, subdivision 2, is amended to read:

Subd. 2. **Treatment of information.** (a) A landlord must not disclose:

(1) any information provided to the landlord by a tenant in the written notice required under subdivision 1, paragraph (b);

(2) any information contained in the qualifying document;

(3) the address or location to which the tenant has relocated; or

(4) the status of the tenant as a victim of violence.

(b) The information referenced in paragraph (a) must not be entered into any shared database or provided to any person or entity but may be used when required as evidence in an eviction proceeding, action for unpaid rent or damages arising out of the tenancy, claims under section 504B.178, with the consent of the tenant, or as otherwise required by law.

(c) The requirements of this subdivision to treat the information enumerated in paragraph (a) are paramount and supersede any other document or form previously signed by the tenant, including but not limited to any release of information form.

~~(c)~~ (d) A landlord who violates this section is liable to the tenant for statutory damages of $2,000, plus reasonable attorney fees and costs.

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

Sec. 6. Minnesota Statutes 2024, section 504B.385, subdivision 1, is amended to read:

Subdivision 1. **Escrow of rent.** (a) If a violation exists in a residential building, a residential tenant may deposit the amount of rent due to the landlord with the court administrator using the procedures described in paragraphs (b) to (d).

(b) For a violation as defined in section 504B.001, subdivision 14, clause (1), the residential tenant may deposit with the court administrator the rent due to the landlord along with a copy of the written notice of the code violation as provided in section 504B.185, subdivision 2. The residential tenant may not deposit the rent or file the written notice of the code violation until the time granted to make repairs has expired without satisfactory repairs being made, unless the residential tenant alleges that the time granted is excessive.

(c) For a violation as defined in section 504B.001, subdivision 14, clause (2) ~~or,~~ (3), (4), or (5), the residential tenant must give written notice to the landlord specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the residential tenant may deposit the amount of rent due to the landlord with the court administrator along with an affidavit specifying the violation. The court must provide a simplified form affidavit for use under this paragraph.

(d) The residential tenant need not deposit rent if none is due to the landlord at the time the residential tenant files the notice required by paragraph (b) or (c). All rent which becomes due to the landlord after that time but before the hearing under subdivision 6 must be deposited with the court administrator. As long as proceedings are pending under this section, the residential tenant must pay rent to the landlord or as directed by the court and may not withhold rent to remedy a violation.

Sec. 7. Minnesota Statutes 2024, section 504B.395, subdivision 4, is amended to read:

Subd. 4. **Landlord must be informed.** A landlord must be informed in writing of an alleged violation at least 14 days before an action is brought by:

(1) a residential tenant of a residential building in which a violation as defined in section 504B.001, subdivision 14, clause (2) ~~or,~~ (3), (4), or (5), is alleged to exist; or

(2) a housing-related neighborhood organization, with the written permission of a residential tenant of a residential building in which a violation, as defined in section 504B.001, subdivision 14, clause (2), (3), (4), or (5), is alleged to exist. The notice requirement may be waived if the court finds that the landlord cannot be located despite diligent efforts.

Sec. 8. Minnesota Statutes 2024, section 507.18, subdivision 5, is amended to read:

Subd. 5. **Discharge of restrictive covenants related to protected classes.** The owner of any interest in real property may record, at no cost, the statutory form provided in subdivision 6 in the office of the county recorder of any county where the real property is located to discharge and release a restrictive covenant related to a protected class permanently from the title. This subdivision does not apply to real property registered under chapters 508 and 508A. The discharge of the restrictive covenant is valid and enforceable under the law of Minnesota when the statutory form provided in subdivision 6 is properly recorded, but the instrument containing such restrictive covenants shall have full force in all other respects and shall be construed as if no such restrictive covenant were contained therein. A restrictive covenant affecting a protected class is void regardless of whether a statutory form as provided for in this section has been recorded in the office of the county recorder in the county where the real property affected by the restrictive covenant is located.

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

Sec. 9. Minnesota Statutes 2024, section 507.18, subdivision 6, is amended to read:

Subd. 6. **Filing; recording.** (a) The county recorder must accept the statutory form provided in this subdivision for recording when the form:

(1) has been executed before a notary;

(2) contains the legal description of the real property affected by the restrictive covenant related to a protected class;

(3) contains the date of recording of the instrument containing the restrictive covenant, and the volume and page number or document number of the instrument; and

(4) complies with all other recording requirements~~, and applicable recording fees have been paid~~.

(b) The commissioner of commerce must provide electronic copies of the statutory form in this subdivision to the public ~~free of~~ at no cost.

(c) The recording of this form does not alter or affect the duration or expiration of covenants, conditions, or restrictions under section 500.20 and may not be used to extend the effect of a covenant, condition, or restriction.

(d) The statutory form that follows may be used to discharge restrictive covenants on property that limit the ownership, occupancy, use, or financing based on protected class:

DISCHARGE OF RESTRICTIVE COVENANT AFFECTING PROTECTED CLASSES

Pursuant to Minnesota Statutes, section 507.18, any restrictive covenant affecting a protected class, including covenants which were placed on the real property with the intent of restricting the use, occupancy, ownership, or financing because of a person's race, color, creed, national origin, or religious beliefs, is discharged and released from the land described herein.

State of Minnesota, County of .....

I/we, ..., having an ownership or other interest in all or part of the real property described herein, solemnly swear that the contents of this form are true to the best of my/our knowledge, except as to those matters stated on information and belief, and that as to those matters I/we believe them to be true.

Name and Address of Owner(s) .....

The real property owned by owner(s) is located in ..... County, Minnesota, and is legally described as follows:

OWNER(s), ..., swears and affirms that Owner(s) is/are 18 years of age or older and is/are not under any legal incapacity and that the information provided in this form is true and correct based on the information available and based on reasonable information and belief:

(1) a restrictive covenant which had the intent to restrict the use, occupancy, ownership, or financing of this property based on a protected class, including race, color, creed, national origin, or religion, existed at one time related to the property described in this form;

(2) the restrictive covenant is contained in an instrument dated ....., and recorded as Document Number ..... (or in Book ..... of ....., Page.....) in the Office of the County Recorder of ....., Minnesota;

(3) restrictive covenants relating to or affecting protected classes are unenforceable and void pursuant to Minnesota Statutes, sections 507.18 and 363A.09, the United States Constitution, and the Minnesota Constitution;

(4) Minnesota Statutes, section 507.18, provides for the discharge of a restrictive covenant of the nature described herein through the use of this statutory form to permanently discharge such covenants from the land described herein and release the current and future landowner(s) from any such restrictive covenant related to or affecting protected classes;

(5) the instrument containing such restrictive covenants shall have full force in all other respects and shall be construed as if no such restrictive covenant was contained therein; and

(6) the filing of this form does not alter or change the duration or expiration of covenants, conditions, or restrictions under Minnesota Statutes, section 500.20.

The affiant(s) know(s) the matters herein stated are true and make(s) this affidavit for the purpose of documenting the discharge of the illegal and unenforceable restrictive covenants affecting protected classes.

Affiant (Owner(s) Signature)

Signed and sworn before me on ..... (Date), by
(Affiant/Owner) .....

Signature of Notary

Stamp
My commission expires .....

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

Sec. 10. Laws 2023, chapter 52, article 19, section 90, is amended to read:

Sec. 90. **EFFECTIVE DATE.**

(a) Sections 83 to 89 are effective January 1, 2024, and apply to leases signed on or after that date.

(b) Sections 83 to 89 are effective January 1, 2026, for leases renewed or extended on or after that date. For the purposes of this section, estates at will shall be deemed to be renewed or extended at the commencement of each rental period.

EFFECTIVE DATE. Paragraph (b) is effective January 1, 2026, and applies to leases entered into, renewed, or extended on or after that date.

Sec. 11. Laws 2023, chapter 52, article 19, section 102, is amended to read:

Sec. 102. **EFFECTIVE DATE.**

(a) Sections 97, 98, and 100 are effective January 1, 2024, and apply to leases entered into or renewed on or after January 1, 2024.

(b) Sections 97, 98, and 100 are effective January 1, 2026, for leases extended on or after January 1, 2026. For the purposes of this section, estates at will shall be deemed to be renewed or extended at the commencement of each rental period.

EFFECTIVE DATE. Paragraph (b) is effective January 1, 2026, and applies to leases entered into, renewed, or extended on or after that date.

Sec. 12. Laws 2024, chapter 96, article 1, section 91, is amended to read:

Sec. 91. **EFFECTIVE DATE.**

This article is effective August 1, ~~2025~~ 2026.

Sec. 13. Laws 2024, chapter 96, article 2, section 13, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, ~~2025~~ 2026.

Sec. 14. **APPLICABLE PREVAILING WAGE RATE.**

(a) An allocating agency, as defined in Minnesota Statutes, section 116J.871, subdivision 1, paragraph (f), may adopt a policy or ordinance utilizing the applicable carpenter rate for residential construction under the federal Davis-Bacon and Related Acts for wood frame carpenter work as defined in paragraph (b). This paragraph only applies to projects subject to prevailing wage requirements pursuant to Minnesota Statutes, section 116J.871, subdivision 2, where any financial assistance, as defined in Minnesota Statutes, section 116J.871, subdivision 1, paragraph (c), consists solely of allocations or awards of low-income housing tax credits as provided in Minnesota Statutes, section 462A.222, and where the project does not receive any other state financing or funding.

(b) For purposes of this section, "wood frame carpenter work" means carpenter work as described in Minnesota Rules, part 5200.1102, subpart 4, performed in the erection, remodeling, or finishing of a structure of up to six stories, or any portion thereof, that is wood framed and intended for residential use.

(c) This section expires December 31, 2027.

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

Sec. 15. **REPORT AND GUIDANCE ON REPOSITIONING PUBLIC HOUSING AND ON GENERAL OBLIGATION BOND FUNDING FOR PUBLIC HOUSING AUTHORITIES.**

(a) By February 15, 2026, the commissioner of management and budget shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy and over capital investment.

(b) The report must:

(1) summarize guidance identifying possible options available under current law for public housing authorities to participate in repositioning programs with the United States Department of Housing and Urban Development while remaining eligible for funding through state general obligation bonds;

(2) review current legal barriers related to the eligibility of public housing authorities to receive state general obligation bond funding while participating in repositioning programs of the United States Department of Housing and Urban Development; and

(3) identify any provisions that present unresolved legal questions regarding ownership, repayment, or public purpose requirements applicable to the use of general obligation bond proceeds for repositioned public housing.

(c) In preparing the report, the commissioner of management and budget must consult with entities that have expertise on repositioning programs with the United States Department of Housing and Urban Development, including the commissioner of the Minnesota Housing Finance Agency and the Minnesota Chapter of the National Association of Housing and Redevelopment Officials."

Delete the title and insert:

"A bill for an act relating to state government; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; modifying requirements for landlord and tenant provisions; authorizing issuance of housing infrastructure bonds; modifying and clarifying requirements for certain housing development and aid programs; repealing housing support account; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 327C.095, subdivision 12; 462A.051, subdivision 2; 462A.07, by adding a subdivision; 462A.2095, subdivisions 2, 3; 462A.33, subdivisions 2, 9; 462A.37, subdivisions 2, 5, by

adding a subdivision; 462C.16, subdivision 1; 477A.35, subdivision 5; 477A.36, subdivision 5; 504B.161, subdivision 1; 504B.206, subdivision 2; 504B.385, subdivision 1; 504B.395, subdivision 4; 507.18, subdivisions 5, 6; Laws 2023, chapter 37, article 1, section 2, subdivisions 20, 21, 29, as amended; article 2, sections 9; 10; Laws 2023, chapter 52, article 19, sections 90; 102; Laws 2024, chapter 96, article 1, section 91; article 2, section 13; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43."

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

Senate Conferees: LINDSEY PORT AND LIZ BOLDON

House Conferees: SPENCER IGO, JIM NASH, MICHAEL HOWARD and LIISH KOZLOWSKI

Igo moved that the report of the Conference Committee on S. F. No. 2298 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S.F. No. 2298, A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; establishing a task force on homeowners and commercial property insurance; removing certain real property recording fees; transferring money; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 327C.095, subdivision 12; 462A.051, subdivision 2; 462A.07, subdivision 19, by adding a subdivision; 462A.2095, subdivision 3; 462A.222, by adding a subdivision; 462A.33, subdivisions 2, 9; 462A.40, subdivision 3; 507.18, subdivisions 5, 6; Laws 2023, chapter 37, article 1, section 2, subdivisions 20, 21, 29, as amended; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43.

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 108 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Heintzeman	Koegel	Niska	Sexton
Agbaje	Engen	Hemmingsen-Jaeger	Kotyza-Witthuhn	Noor	Skraba
Allen	Falconer	Her	Kozlowski	Novotny	Smith
Backer	Feist	Hicks	Kraft	O'Driscoll	Stephenson
Bahner	Finke	Hill	Kresha	Olson	Stier
Bakeberg	Fischer	Hollins	Lee, F.	Pérez-Vega	Swedzinski
Baker	Franson	Hortman	Lee, K.	Perryman	Tabke
Bennett	Frazier	Howard	Liebling	Pinto	Torkelson
Berg	Frederick	Hudson	Lillie	Pursell	Vang
Bierman	Freiberg	Huot	Long	Rarick	Virnig
Carroll	Gander	Hussein	Mahamoud	Rehm	Warwas
Cha	Gillman	Igo	McDonald	Rehrauer	West
Clardy	Gomez	Johnson, P.	Moller	Repinski	Witte
Coulter	Gottfried	Johnson, W.	Momanyi-Hiltsley	Reyer	Wolgamott
Curran	Greene	Jones	Myers	Robbins	Xiong
Davids	Greenman	Jordan	Nadeau	Schomacker	Youakim
Dotseth	Hansen, R.	Keeler	Nash	Schwartz	Zeleznikar
Duran	Hanson, J.	Klevorn	Nelson	Sencer-Mura	Spk. Demuth

Those who voted in the negative were:

Altendorf	Davis	Jacob	Mekeland	Roach	Wiener
Anderson, P. E.	Dippel	Joy	Mueller	Rymer	
Anderson, P. H.	Fogelman	Knudsen	Murphy	Schultz	
Bliss	Gordon	Koznick	Norris	Scott	
Burkel	Harder	Lawrence	Quam	Van Binsbergen	

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

MOTIONS AND RESOLUTIONS

Curran moved that the name of Jones be added as an author on H. F. No. 44. The motion prevailed.

Hollins moved that the name of Jones be added as an author on H. F. No. 793. The motion prevailed.

Greenman moved that the name of Youakim be added as an author on H. F. No. 1143. The motion prevailed.

O'Driscoll moved that the name of Lillie be shown as chief author on H. F. No. 1889. The motion prevailed.

Pinto moved that the names of Reyer, Moller, Virnig and Freiberg be added as authors on H. F. No. 3335. The motion prevailed.

Skraba moved that the name of Virnig be added as an author on H. F. No. 3341. The motion prevailed.

MOTION FOR CALENDAR FOR THE DAY

Pursuant to the notice given on Wednesday, May 14, 2025, Igo moved that H. F. No. 3023 be placed on and be considered first on the Calendar for the Day.

LAY ON THE TABLE

Igo moved that the Igo motion be laid on the table. The motion prevailed and the Igo motion was laid on the table.

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 DFL Caucus Leader permitted the following member to vote via remote means between the hours of 4:25 p.m. and 6:55 p.m.: Kozlowski.

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. 1143, A bill for an act relating to state government; modifying certain appropriations; modifying expiration of certain aid accounts; appropriating money; amending Minnesota Statutes 2024, section 124D.995, subdivision 6.

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. 2884.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2884, A bill for an act relating to retirement; Minnesota State Retirement System, making administrative changes, increasing the formula multiplier and the postretirement adjustment for the general state employees retirement plan, and increasing the postretirement adjustment for the legislators and unclassified retirement plans; Public Employees Retirement Association, making administrative and conforming changes, increasing the cap on the postretirement adjustment for the general employees retirement plan, expanding the privatization requirements and revising the method for calculating withdrawal liability; implementing the recommendations of the MSRS correctional plan eligibility work group, the amortization work group, and the State Auditor's fire relief association working group; increasing the employer contribution maximum for the higher education supplemental retirement plan; increasing the maximum lump-sum benefit level for defined benefit firefighter relief associations; Minnesota Secure Choice Retirement Program, making administrative and policy changes, authorizing the commissioner of employment and economic development to disclose information to the executive director, and adding penalties for noncompliance; modifying the pension fund executive directors' authority to correct errors and modifying the annual reporting requirement; repealing the investment business recipient disclosure reporting requirement for firefighter relief associations; establishing a work group on pension plans for probation officers and 911 telecommunicators; modifying circumstances for terminating state and supplemental employer contributions; modifying certain public safety benefits; providing certain teacher retirement association benefit increases; modifying duty disability and health insurance continuation for peace officers and firefighters; making technical changes, clarifications, and corrections to the statutes governing the Legislative Commission on Pensions and Retirement, the statewide volunteer firefighter plan, IRAP to TRA transfers, fire state aid and police and firefighter retirement supplemental state aid, and the public employees defined contribution plan; modifying practices for reporting and repealing certain reporting requirements for the State Board of Investment; eliminating obsolete provisions; appropriating money; amending Minnesota Statutes 2024, sections 3.85, subdivisions 2, 3, 10; 11A.07, subdivisions 4, 4b; 124E.12, subdivisions 4, 6; 126C.10, subdivision 37; 181.101;

187.03, subdivisions 5, 7, 7a, by adding a subdivision; 187.05, subdivisions 4, 6, by adding a subdivision; 187.07, subdivisions 1, 2, 3, 6; 187.08, subdivisions 3, 7; 187.11; 268.19, subdivision 1; 299A.465, subdivision 1; 352.01, by adding a subdivision; 352.029, subdivision 3; 352.03, subdivision 5; 352.115, subdivision 3; 352.22, subdivisions 2b, 3; 352.90; 352.92, subdivision 2a; 352.93, subdivision 1; 352.955, subdivision 1; 352B.02, subdivision 1c; 353.01, subdivisions 2a, 2b, 2d; 353.028, subdivisions 2, 3; 353.032, subdivisions 3, 4, 5, 6, 7, 9, 10; 353.27, subdivision 3a; 353.34, subdivision 5; 353.65, subdivision 3b; 353D.01, subdivision 2; 353D.02, subdivisions 1, 2, 3, 4, 5, 6, 7; 353E.06, subdivision 1; 353F.01; 353F.02, subdivisions 3, 4b, 5a, 6, by adding subdivisions; 353F.025; 353F.03; 353F.04; 353F.05; 353F.051, subdivisions 1, 2; 353F.052; 353F.057; 353F.06; 353F.07; 353F.08; 353F.09; 353G.08, subdivision 1a; 353G.11, subdivisions 2, 2a, by adding a subdivision; 353G.17, subdivisions 4, 5; 353G.19, subdivisions 1, 2, 3, 4, 5; 354.42, subdivision 3; 354.44, subdivision 6; 354B.215, subdivisions 3, 4; 356.215, subdivisions 1, 4, 8, 11, 17; 356.24, subdivision 1; 356.415, subdivisions 1, 1b, 1c, 1d, 1e; 356.633, subdivisions 1, 2, by adding a subdivision; 356.636, subdivisions 2, 3; 423A.022, subdivisions 2, 3, 5; 424A.014, subdivisions 2, 5; 424A.015, subdivision 4; 424A.016, subdivisions 2, 6; 424A.02, subdivision 3; 424A.05, subdivision 3; 424A.06, subdivision 2; 424A.08; 424A.092, subdivisions 2, 3, 4; 424A.093, subdivision 5; 424B.22, subdivisions 1, 2, 3, by adding a subdivision; 477B.02, subdivisions 3, 8; 477B.03, subdivisions 5, 7; 477B.04, subdivisions 3, 4; 490.123, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 187; 352; 352B; 356; repealing Minnesota Statutes 2024, sections 11A.27; 352.91, subdivisions 1, 2, 2a, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 4a, 4b, 4c, 6; 353F.02, subdivision 4a; 356.635, subdivision 9; 356A.06, subdivision 5; 424A.015, subdivision 5.

The bill was read for the first time and referred to the Committee on Ways and Means.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 2432

A bill for an act relating to state government; providing for judiciary, public safety, corrections, and government data practices policy; establishing Minnesota victims of crime account; modifying certain fees; establishing monetary assessments for certain corporate and individual offender convictions; transferring financial crimes and fraud investigations to the Financial Crimes and Fraud Section in the Bureau of Criminal Apprehension; clarifying Tribal Nation access and use of community services subsidy; amending real property judicial foreclosure law; providing for reports; transferring funds to the Minnesota victims of crime account; reducing certain appropriations; appropriating money for the supreme court, court of appeals, district courts, Board of Civil Legal Aid, State Guardian ad Litem Board, tax court, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Human Rights, Office of Appellate Counsel and Training, Competency Attainment Board, Cannabis Expungement Board, Secretary of State, Sentencing Guidelines Commission, public safety, Peace Officer Standards and Training (POST) Board, Private Detective Board, corrections, ombudsperson for corrections, Clemency Review Commission, children, youth, and families, and the Office of Higher Education; amending Minnesota Statutes 2024, sections 13.03, subdivision 3; 13.32, subdivisions 2, 5; 13.43, subdivision 2; 13.82, subdivision 1; 13.991; 43A.17, subdivision 13; 45.0135, subdivisions 2b, 6, 7, 8, 9, by adding a subdivision; 60A.951, subdivision 2; 60A.952, subdivisions 2, 4, 5; 60A.954, subdivision 2; 60A.956; 65B.84; 142A.76, subdivision 8; 144E.123, subdivision 3; 152.137, subdivisions 1, 2; 171.187, subdivisions 1, 3; 244.18, subdivisions 1, 7, 9; 244.19, subdivisions 1c, 1d, 5, 5a; 244.20; 260C.419, subdivisions 2, 3, 4; 268.19, subdivision 1; 268B.30; 297I.11, subdivision 2; 299A.01, by adding a subdivision; 299C.40, subdivision 1; 299F.47, subdivision 2; 401.03; 401.10, subdivision 1, by adding a subdivision; 401.11, subdivision 1; 401.14; 401.15, subdivision 2; 480.243, by adding a subdivision; 480.35, by adding a subdivision; 480.40, subdivisions 1, 3; 480.45, subdivision 2; 484.44; 484.51; 517.08, subdivisions 1b, 1c; 518.68, subdivision 1; 518B.01, subdivision 2; 524.5-420; 580.07, subdivisions 1, 2; 581.02; 595.02, by adding a subdivision; 609.2232; 609.322, subdivision 1; 609.531, subdivision 1; 609.78, subdivision 2c; 611.45, subdivision 3; 611.46, subdivision 2; 611.49, subdivisions 2, 3; 611.55, subdivision 3; 611.56, subdivision 1; 611.59,

subdivisions 1, 4; 626.05, subdivision 2; 626.84, subdivision 1; 626.8516, subdivisions 4, 5, 6; 628.26; 629.344; Laws 2023, chapter 52, article 2, section 3, subdivision 3; article 11, section 31; proposing coding for new law in Minnesota Statutes, chapters 13; 241; 299A; 299C; 401; 480; 609; repealing Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, 5; 325E.21, subdivision 2b.

May 17, 2025

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. 2432 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. 2432 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
JUDICIARY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
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 beginning in fiscal year 2028.

Sec. 3. **BOARD OF CIVIL LEGAL AID**	**$35,353,000**	**$35,353,000**
Sec. 4. **COURT OF APPEALS**	**$15,624,000**	**$15,624,000**

Base Adjustment

The general fund base shall be $15,794,000 beginning in fiscal year 2028.

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 beginning in fiscal year 2028.

Sec. 6. **GUARDIAN AD LITEM BOARD**	**$26,741,000**	**$26,759,000**

(a) **Volunteer Guardians ad Litem**

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

(b) **Base Adjustment**

The general fund base shall be $27,369,000 beginning in fiscal year 2028.

Sec. 7. **TAX COURT**	**$2,312,000**	**$2,353,000**
Sec. 8. **UNIFORM LAWS COMMISSION**	**$115,000**	**$115,000**
Sec. 9. **BOARD ON JUDICIAL STANDARDS**	**$654,000**	**$654,000**

(a) **Availability of Appropriation**

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

(b) **Major Disciplinary Actions**

$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures through June 30, 2027.

(c) **Base Adjustment**

The general fund base shall be $660,000 beginning in fiscal year 2028.

Sec. 10. **BOARD OF PUBLIC DEFENSE**	**$167,622,000**	**$167,622,000**

Base Adjustment

The general fund base shall be $169,829,000 beginning in fiscal year 2028.

Sec. 11. **HUMAN RIGHTS**	**$8,828,000**	**$8,987,000**
Sec. 12. **OFFICE OF APPELLATE COUNSEL AND TRAINING**	**$1,000,000**	**$1,361,000**
Sec. 13. **MINNESOTA COMPETENCY ATTAINMENT BOARD**	**$11,017,000**	**$11,137,000**
Sec. 14. **CANNABIS EXPUNGEMENT BOARD**	**$5,363,000**	**$5,378,000**
Sec. 15. **SECRETARY OF STATE**	**$18,000**	**$-0-**

$18,000 the first year is to implement Minnesota Statutes, section 480.50, relating to judicial official data privacy for real property records.

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

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

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

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

The commissioner of management and budget shall reduce the appropriation to the Minnesota Competency Attainment Board for fiscal years 2024 and 2025 in Laws 2023, chapter 52, article 1, as amended by Laws 2023, chapter 73, section 3, by $9,000,000.

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

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

The commissioner of management and budget shall reduce the appropriation to the Cannabis Expungement Board for fiscal years 2024 and 2025 in Laws 2023, chapter 63, article 9, section 4, by $6,700,000.

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

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

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

Sec. 20. Minnesota Statutes 2024, section 357.021, subdivision 2, is amended to read:

Subd. 2. **Fee amounts.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~$285~~ $310, except in marriage dissolution actions the fee is ~~$315~~ $340.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~$285~~ $310, except in marriage dissolution actions the fee is ~~$315~~ $340. This subdivision does not apply to the filing of an Application for Discharge of Judgment. Section 548.181 applies to an Application for Discharge of Judgment.

The party requesting a trial by jury shall pay $100.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, $14.

(3) Issuing a subpoena, $16 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, ~~$75~~ $100.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $55.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $40.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, $5.

(8) Certificate as to existence or nonexistence of judgments docketed, $5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopathic physicians, chiropractors, veterinarians, or optometrists, $5.

(10) For the filing of each partial, final, or annual account in all trusteeships, $55.

(11) For the deposit of a will, $27.

(12) For recording notary commission, $20.

(13) Filing a motion or response to a motion for modification of child support, a fee of $50.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of $75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents. No fee may be charged to view or download a publicly available instrument from a civil or criminal proceeding or for an uncertified copy of that instrument.

ARTICLE 2
PUBLIC SAFETY APPROPRIATIONS AND RELATED FISCAL POLICIES

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. **SENTENCING GUIDELINES**	**$1,092,000**	**$1,112,000**
Sec. 3. **PUBLIC SAFETY**		
Subdivision 1. **Total Appropriation**	**$282,707,000**	**$270,624,000**

Appropriations by Fund

	2026	2027
General	175,736,000	177,750,000
Special Revenue	21,497,000	21,397,000
State Government Special Revenue	103,000	103,000
Environmental	130,000	133,000
Trunk Highway	2,429,000	2,429,000
911 Fund	82,597,000	68,597,000
Workers' Compensation	215,000	215,000

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

Subd. 2. **Emergency Management**	5,629,000	6,491,000

Appropriations by Fund

General	5,499,000	6,358,000
Environmental	130,000	133,000

(a) **Supplemental Nonprofit Security Grants**

$125,000 each year is for supplemental nonprofit security grants. Except as otherwise provided in this paragraph, nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this subdivision. No additional application shall be required from applicants whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program are approved, and an application for a grant from the federal program is also an application for funding from the state supplemental program. If the Federal Emergency Management Agency terminates the nonprofit security grant program, does not accept applications, or does not rank applicants, the commissioner of public safety must develop and implement an alternative application and ranking process. Eligible organizations may receive grants of up to $75,000, except that the total received by any organization from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed $75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program or, if applicants for the federal nonprofit security grant program are not ranked, the commissioner must award grants in an order consistent with ranking established by the commissioner of public safety. If the Federal Emergency Management Agency issues grants under the federal nonprofit security grant program, no grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program. If the Federal Emergency Management Agency does not issue grants under the federal nonprofit security grant program, the commissioner must provide guidance to applicants regarding the time frame for issuance of grants. The commissioner may use up to one percent of the appropriation received under this paragraph to pay costs incurred by the department in administering the supplemental nonprofit security grant program. This is a onetime appropriation.

(b) **Base Adjustment**

This program's annual general fund base shall be $6,233,000 beginning in fiscal year 2028.

Subd. 3. **Criminal Apprehension** 112,905,000 114,044,000

Appropriations by Fund

General	110,254,000	111,393,000
State Government Special Revenue	7,000	7,000
Trunk Highway	2,429,000	2,429,000
Workers' Compensation	215,000	215,000

(a) **DWI Lab Analysis; Trunk Highway Fund**

Notwithstanding Minnesota Statutes, sections 161.045, subdivision 3, and 161.20, subdivision 3, $2,429,000 each year is from the trunk highway fund for staff and operating costs for laboratory analysis related to driving-while-impaired cases.

(b) **Financial Crimes and Fraud Section**

$1,115,000 each year from the general fund and $215,000 each year from the workers' compensation fund are for the Financial Crimes and Fraud Section in Minnesota Statutes, section 299C.061, and may not be used for any other purpose.

Subd. 4. **Fire Marshal** 20,117,000 20,017,000

Appropriations by Fund

General	4,190,000	4,190,000
Special Revenue	15,927,000	15,827,000

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012. The special revenue fund base appropriation for this account is $15,935,000 in fiscal year 2028 and $15,832,000 in fiscal year 2029.

(a) **Hazardous Materials and Emergency Response Teams**

$2,170,000 the first year and $2,070,000 the second year are from the fire safety account for hazardous materials and emergency response teams. The base for these purposes is $2,170,000 in the first year of future bienniums and $2,070,000 in the second year of future bienniums.

(b) **Bomb Squad Reimbursements**

$250,000 from the fire safety account and $50,000 from the general fund each year are for reimbursements to local governments for bomb squad services.

(c) **Nonresponsible Party Reimbursements**

$750,000 each year from the fire safety account is for nonresponsible party hazardous material, Urban Search and Rescue, Minnesota Air Rescue Team, and bomb squad incident reimbursements. Money appropriated for this purpose is available for one year.

(d) **Hometown Heroes Assistance Program**

$4,000,000 each year from the general fund is for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program established in Minnesota Statutes, section 299A.477.

(e) **Task Force 1**

$1,425,000 each year from the fire safety account is for the Minnesota Task Force 1.

(f) **Task Force 2**

$300,000 each year from the fire safety account is for the Minnesota Task Force 2.

(g) **Air Rescue**

$500,000 each year from the fire safety account is for the Minnesota Air Rescue Team.

(h) **Fire Service Assessment**

The state fire marshal shall conduct or contract with a third party to conduct a comprehensive assessment of how firefighting services are provided in Minnesota and make recommendations for any proposed changes. At a minimum, the assessment must include:

(1) a macro-level review and analysis of incidents; incident types; response metrics; geographical distribution; life, safety, and property damage impacts; and trend projection analysis, benchmarked against national standards and best practices, including those of the National Fire Protection Association;

(2) an analysis of the number of fire departments and types of staffing in Minnesota compared to other states regionally and nationally, including staff response by time of day and day of the week;

(3) an analysis of the available data sets to determine what data is incomplete, inaccurate, or missing to make informed decisions in the future;

(4) an analysis of the effective response force of firefighters across the state, identifying any trends and patterns impacting the delivery of fire and life safety services;

(5) an analysis of the training, certification, and licensing of Minnesota firefighters, including initial and annual training, officers, inspectors, investigators, and specialty disciplines such as technical rescue and hazardous materials;

(6) an analysis of the recruitment and retention of fire department staff including volunteer, paid-on-call, part-time, contract, and full-time firefighters;

(7) a macro-level evaluation of fire department equipment, including personal protective equipment, apparatus equipment, communications equipment, and infrastructure, benchmarked against national standards and best practices, including those of the National Fire Protection Association; and

(8) a macro-level evaluation of the funding for firefighting services in Minnesota and how it compares to other states.

In conducting the assessment, the fire marshal shall hold in-person and virtual stakeholder listening sessions with the Minnesota State Fire Chiefs Association, the Minnesota State Fire Department Association, the Minnesota Professional Firefighters Association, the League of Minnesota Cities, the Minnesota Association of Townships, and other statewide and regional associations identified by the commissioner of public safety. In conducting the assessment and making recommendations for proposed changes, the fire marshal shall consider the current diverse nature of the fire service in Minnesota, including the various staffing models employed and the geographical makeup of the state.

The fire marshal may request onetime funding to complete this assessment through the Fire Service Advisory Committee.

By December 31, 2026, the fire marshal shall report on the assessment conducted and any recommendations for changes to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and commerce.

Subd. 5. **Firefighter Training and Education Board**	5,500,000	5,500,000

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) **Firefighter Training and Education**

$5,500,000 each year from the fire safety account is for firefighter training and education.

(b) **Unappropriated Revenue**

Any additional unappropriated money collected in fiscal year 2025 is appropriated to the commissioner of public safety for the purposes of Minnesota Statutes, section 299F.012. The commissioner may transfer appropriations and base amounts between activities in this subdivision.

Subd. 6. **Alcohol and Gambling Enforcement**	4,056,000	4,067,000
Appropriations by Fund		
General	3,986,000	3,997,000
Special Revenue	70,000	70,000

The special revenue fund appropriation is from the lawful gambling regulation account.

Subd. 7. **Office of Justice Programs**	51,903,000	51,908,000
Appropriations by Fund		
General	51,807,000	51,812,000
State Government Special Revenue	96,000	96,000

(a) **Legal Representation for Children**

$100,000 each year is for a grant to an organization that provides legal representation for children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, in cash, or a combination of the two. This is a onetime appropriation and is in addition to any other appropriations for the legal representation of children.

(b) **Prosecutor Training**

$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. If any portion of this appropriation is used to fund trial school or training at the Minnesota County Attorneys Association annual conference, the training must contain blocks of instruction on racial disparities in the criminal justice system, collateral consequences to criminal convictions, and trauma-informed responses to victims. This is a onetime appropriation.

By February 15 of each year, the Minnesota County Attorneys Association must provide a report to the chairs, co-chairs, and ranking minority members of the legislative committees and divisions with jurisdiction over public safety policy and finance on the training provided with grant proceeds, including a description of each training and the number of prosecutors and law enforcement officers who received training.

Subd. 8. **Emergency Communication Networks** 82,597,000 68,597,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services unless otherwise indicated.

(a) **Public Safety Answering Points**

$28,011,000 each year shall be distributed as provided under Minnesota Statutes, section 403.113, subdivision 2.

Each eligible entity receiving these funds must provide a detailed report on how the funds were used to the commissioner of public safety by August 1, 2027.

(b) **ARMER State Backbone Operating Costs**

$10,384,000 each year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(c) **Statewide Emergency Communications Board**

$1,000,000 each year is to the Statewide Emergency Communications Board. Funds may be used for operating costs, to provide competitive grants to local units of government to fund enhancements to a communication system, technology, or support activity that directly provides the ability to deliver the 911 call between the entry point to the 911 system and the first responder, and to further the strategic goals set forth by the SECB Statewide Communication Interoperability Plan.

(d) **ARMER Critical Infrastructure**

$14,000,000 the first year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone. This appropriation is available until June 30, 2029.

Sec. 4. **PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD** **$11,691,000** **$11,739,000**

(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 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, the board may use the funds to reimburse law enforcement agencies for other board-approved law enforcement training courses. The base for this activity is $878,000 beginning in fiscal year 2028 and thereafter.

Sec. 5. **PRIVATE DETECTIVE BOARD** **$697,000** **$706,000**

Sec. 6. **CORRECTIONS**

Subdivision 1. **Total Appropriation** **$843,542,000** **$833,286,000**

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

Subd. 2. **Incarceration and Prerelease Services** 583,505,000 570,247,000

(a) **Task Force on Mandatory Minimum Sentences**

$133,000 the first year is for the task force on mandatory minimum sentences.

(b) **Prison Rape Elimination Act**

$500,000 each year is for Prison Rape Elimination Act (PREA) compliance.

(c) **Incarceration and Prerelease Services Base Budget**

The base for incarceration and prerelease services is $568,750,000 in fiscal year 2028 and $563,750,000 in fiscal year 2029.

Subd. 3. **Community Supervision and Postrelease Services** 201,155,000 203,587,000

(a) **Community Supervision Funding**

$143,378,000 each year is for community supervision services. This appropriation shall be distributed according to the community supervision formula in Minnesota Statutes, section 401.10.

(b) **Tribal Nation Supervision**

$2,750,000 each year is for Tribal Nations to provide supervision or supportive services pursuant to Minnesota Statutes, section 401.10.

(c) **Housing Initiatives**

$1,685,000 each year is for housing initiatives to support stable housing of incarcerated individuals upon release. Of this amount:

(1) $760,000 each year is for housing stabilization prerelease services and program evaluation;

(2) $500,000 each year is for rental assistance for incarcerated individuals approaching release, on supervised release, or on probation who are at risk of homelessness;

(3) $200,000 each year is for culturally responsive trauma-informed transitional housing; and

(4) $225,000 each year is for housing coordination activities.

Subd. 4. **Organizational, Regulatory, and Administrative Services** 58,882,000 59,452,000

Public Safety Data Infrastructure

$4,097,000 each year is for technology modernization and the development of an information-sharing and data-technology infrastructure. Any unspent funds from the current biennium do not cancel and are available in the next biennium.

Sec. 7. **OMBUDSPERSON FOR CORRECTIONS** **$1,118,000** **$1,137,000**

Sec. 8. **CLEMENCY REVIEW COMMISSION** **$995,000** **$1,005,000**

Sec. 9. **OFFICE OF HIGHER EDUCATION** **$250,000** **$-0-**

Use of Force Training

$250,000 the first year is to provide reimbursement grants to eligible postsecondary schools certified to provide programs of professional peace officer education for providing in-service training programs on the use of force, including deadly force, by peace officers. Of this amount, up to 2.5 percent is for administration and monitoring of the program.

To be eligible for reimbursement, training offered by a postsecondary school must:

(1) satisfy the requirements of Minnesota Statutes, section 626.8452, and be approved by the Board of Peace Officer Standards and Training;

(2) utilize scenario-based training that simulates real-world situations and involves the use of real firearms that fire nonlethal ammunition;

(3) include a block of instruction on the physical and psychological effects of stress before, during, and after a high-risk or traumatic incident and the cumulative impact of stress on the health of officers;

(4) include blocks of instruction on de-escalation methods and tactics, bias motivation, unknown risk training, defensive tactics, and force-on-force training; and

(5) be offered to peace officers at no charge to the peace officer or law enforcement agency.

An eligible postsecondary school may apply for reimbursement for the costs of offering the training. Reimbursement shall be made at a rate of $450 for each officer who completes the training. The postsecondary school must submit the name and peace officer license number of the peace officer who received the training to the Office of Higher Education.

As used in this section:

(1) "law enforcement agency" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (f); and

(2) "peace officer" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c).

Sec. 10. **APPROPRIATION; MINNESOTA CORRECTIONAL FACILITY - STILLWATER STUDIES AND STRATEGIC PLANNING; REPORT.**

(a) $1,000,000 the first year is appropriated from the general fund to the commissioner of corrections to fund the costs associated with a management study and decommissioning study related to the closure of the Minnesota Correctional Facility - Stillwater. The decommissioning study must include considerations for a wide range of future uses of the site with a focus on the economic stability and development of the communities surrounding the facility. On or before September 30, 2026, the commissioner must submit a comprehensive report detailing the findings and recommendations from the studies to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy and capital investment.

(b) Upon completion of the studies and report under this section and after written notice to the commissioner of management and budget, the commissioner of corrections must use any money remaining in this appropriation for asset preservation improvements and betterments of a capital nature at the Minnesota correctional facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307.

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

Sec. 11. **CANCELLATION.**

$1,000,000 of the appropriation in fiscal year 2024 for asset preservation under Laws 2023, chapter 71, article 1, section 13, subdivision 2, is canceled to the general fund by June 30, 2025.

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

Sec. 12. **TRANSFER; MINNESOTA VICTIMS OF CRIME ACCOUNT.**

$7,232,000 the first year is transferred from the general fund to the Minnesota victims of crime account in the special revenue fund under Minnesota Statutes, section 299A.708.

Sec. 13. **DEPARTMENT OF PUBLIC SAFETY; GRANT CONTRACTS AND PROGRAMS ADMINISTRATIVE COSTS.**

(a) Notwithstanding any law to the contrary, unless amounts are otherwise appropriated for administrative costs, the Department of Public Safety may retain up to five percent of the amount appropriated to the department for grants enacted by the legislature and single- or sole-source and formula grants and up to ten percent for competitively awarded grants to be used for staff and related operating costs for grant administration. This section applies to all new and existing grant programs administered by the department. This section does not apply to grants funded with an appropriation of proceeds from the sale of state general obligation bonds.

(b) The authority granted in this section expires on June 30, 2027.

Sec. 14. **COMMERCE; REDUCTION.**

The commissioner of management and budget must reduce general fund appropriations to the Department of Commerce by $1,115,000 in fiscal years 2026 and 2027 and must reduce the workers' compensation fund appropriations to the Department of Commerce by $215,000 in fiscal years 2026 and 2027 to account for the transfer of Commerce Fraud Bureau employees and responsibilities to the Bureau of Criminal Apprehension. These reductions are ongoing.

Sec. 15. Minnesota Statutes 2024, section 241.01, subdivision 3a, is amended to read:

Subd. 3a. **Commissioner, powers and duties.** The commissioner of corrections has the following powers and duties:

(a) To accept persons committed to the commissioner by the courts of this state for care, custody, and rehabilitation.

(b) To determine the place of confinement of committed persons in a correctional facility or other facility of the Department of Corrections and to prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or outside the facility. After July 1, 2023, the commissioner shall not allow inmates who have not been conditionally released from prison, whether on parole, supervised release, work release, or an early release program, to be housed in correctional facilities that are not owned and operated by the state, a local unit of government, or a group of local units of government. Inmates shall not exercise custodial functions or have authority over other inmates.

(c) To administer the money and property of the department.

(d) To administer, maintain, and inspect all state correctional facilities.

(e) To transfer authorized positions and personnel between state correctional facilities as necessary to properly staff facilities and programs.

(f) To utilize state correctional facilities in the manner deemed to be most efficient and beneficial to accomplish the purposes of this section, but not to close ~~the Minnesota Correctional Facility-Stillwater or~~ the Minnesota Correctional Facility-St. Cloud without legislative approval. The commissioner may place juveniles and adults at the same state minimum security correctional facilities, if there is total separation of and no regular contact between juveniles and adults, except contact incidental to admission, classification, and mental and physical health care.

(g) To organize the department and employ personnel the commissioner deems necessary to discharge the functions of the department, including a chief executive officer for each facility under the commissioner's control who shall serve in the unclassified civil service and may, under the provisions of section 43A.33, be removed only for cause.

(h) To define the duties of these employees and to delegate to them any of the commissioner's powers, duties and responsibilities, subject to the commissioner's control and the conditions the commissioner prescribes.

(i) To annually develop a comprehensive set of goals and objectives designed to clearly establish the priorities of the Department of Corrections. This report shall be submitted to the governor commencing January 1, 1976. The commissioner may establish ad hoc advisory committees.

(j) To publish, administer, and award grant contracts with state agencies, local units of government, and other entities for correctional programs embodying rehabilitative concepts, for restorative programs for crime victims and the overall community, and for implementing legislative directives.

(k) If the commissioner is considering closing a facility, the commissioner must develop a written plan for the closure of the facility. The plan must minimize staff layoffs and maximize opportunities for staff of the facility designated for closure to transfer to vacant positions in other correctional facilities. The commissioner must engage staff and labor unions representing employees at the facility identified for closure and engage public officials from local units of government impacted by the proposed facility closure. The commissioner must: identify the potential adverse impacts of the closure on incarcerated individuals; minimize disruptions in conditions of confinement, rehabilitative programming, educational opportunities, mental health and medical care, family visitation, and case planning; and prioritize access to services that support rehabilitation and successful reentry across all state correctional facilities. The commissioner must deliver a copy of the plan to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over public safety policy and finance.

(l) Notwithstanding any other law to the contrary, the commissioner must not implement any initiative that grants early release from incarceration or reduces criminal sentences to implement the closure of the Minnesota Correctional Facility - Stillwater. This provision shall not affect the operation or continuation of early release programs established in statute prior to the effective date of this section.

Sec. 16. **[299A.708] MINNESOTA VICTIMS OF CRIME ACCOUNT.**

Subdivision 1. **Account established.** The Minnesota victims of crime account is established in the special revenue fund.

Subd. 2. **Source of funds.** The account consists of money deposited, donated, allotted, transferred, or otherwise provided to the account and any interest or earnings of the account.

Subd. 3. **Appropriation; account purpose; grants.** Money in the account, including interest accrued, is appropriated to the commissioner of public safety for the Office of Justice Programs to provide grants to crime victim services providers. Grants must be used for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime and may provide: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Up to ten percent of the appropriation is available for grant administration.

Subd. 4. **Reporting; carryover.** (a) By January 15 of each year, the commissioner of public safety shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the account established in subdivision 1. The report must provide detailed information on the money deposited into the account and any money carried over from the previous year, including the amounts and sources of the money.

(b) Money in the account does not cancel but remains available for expenditures for grants identified in subdivision 3.

Subd. 5. **Annual transfer.** In fiscal year 2028, the commissioner of management and budget shall transfer $878,000 from the general fund to the Minnesota victims of crime account. In fiscal year 2029 and each year thereafter, the commissioner of management and budget shall transfer $879,000 from the general fund to the Minnesota victims of crime account.

Sec. 17. Minnesota Statutes 2024, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar shall examine upon oath the parties applying for a license relative to the legality of the contemplated civil marriage. Both parties must present proof of age to the local registrar. If one party is unable to appear in person, the party appearing may complete the absent applicant's information. The local registrar shall provide a copy of the civil marriage application to the party who is unable to appear, who must verify the accuracy of the appearing party's information in a notarized statement. The verification statement must be accompanied by a copy of proof of age of the party. The civil marriage license must not be released until the verification statement and proof of age has been received by the local registrar. If the local registrar is satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after the civil marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. Except as provided in paragraph (b), the local registrar shall collect from the applicant a fee of ~~$115~~ $125 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital records the reports of civil marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a civil marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed $1,000.

(b) The civil marriage license fee for parties who have completed at least 12 hours of premarital education is ~~$40~~ $50. In order to qualify for the reduced license fee, the parties must submit at the time of applying for the civil marriage license a statement that is signed, dated, and notarized or marked with a church seal from the person who provided the premarital education on their letterhead confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize civil marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, ... (name of educator), confirm that ..... (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize civil marriages under Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the civil marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

Sec. 18. Minnesota Statutes 2024, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. **Disposition of license fee.** (a) Of the civil marriage license fee collected pursuant to subdivision 1b, paragraph (a), $25 must be retained by the county. The local registrar must pay ~~$90~~ $100 to the commissioner of management and budget to be deposited as follows:

(1) $55 in the general fund;

(2) $3 in the state government special revenue fund to be appropriated to the commissioner of public safety for parenting time centers under section 119A.37;

(3) $2 in the special revenue fund to be appropriated to the commissioner of health for developing and implementing the MN ENABL program under section 145.9255;

(4) $25 in the special revenue fund is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96; ~~and~~

(5) $5 in the special revenue fund, which is appropriated to the Board of Regents of the University of Minnesota for the Minnesota couples on the brink project under section 137.32; and

(6) $10 in the Minnesota victims of crime account in the special revenue fund under section 299A.708.

(b) Of the $40 fee under subdivision 1b, paragraph (b), $25 must be retained by the county. The local registrar must pay ~~$15~~ $25 to the commissioner of management and budget to be deposited as follows:

(1) $5 as provided in paragraph (a), clauses (2) and (3); ~~and~~

(2) $10 in the special revenue fund is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96; and

(3) $10 in the Minnesota victims of crime account in the special revenue fund under section 299A.708.

Sec. 19. **[609.1015] CORPORATE OFFENDERS; PENALTY ASSESSMENT REQUIRED.**

(a) As used in this section, "corporation" means any entity, other than a natural person, that is capable under the laws of any state to sue, be sued, own property, contract, or employ another.

(b) When a court is sentencing a corporation that has been convicted of a crime, the court must impose an assessment of up to $1,000,000 if the conviction is for a felony offense, up to $250,000 if the conviction is for a gross misdemeanor offense, and up to $100,000 if the conviction is for a misdemeanor offense. The assessment is in addition to any criminal fines, restitution, or surcharge otherwise authorized or required under law. The court shall impose an assessment of not less than 30 percent of the maximum assessment authorized by this section unless the defendant makes a showing of undue hardship. The court may not waive payment of the assessment.

(c) In setting the amount of the assessment, the court shall take the following into consideration:

(1) the nature and seriousness of the offense;

(2) the number of offenses committed;

(3) the persistence of the criminal conduct;

(4) the length of time over which the criminal conduct occurred;

(5) the willfulness of the corporation's criminal conduct;

(6) the corporation's assets, liabilities, and net worth; and

(7) the particular harm to victims of the crime.

(d) Assessments collected under this section must be deposited into the Minnesota victims of crime account under section 299A.708.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to sentences announced on or after that date.

Sec. 20. **[609.1016] VICTIM SERVICES ASSESSMENT.**

(a) When a court is sentencing a person for an offense listed in paragraph (b), the court must impose a victim services assessment. If the violation is a misdemeanor, the assessment must be at least $500 and not more than $750. For any other violation, the assessment must be at least $750 and not more than $1,000.

(b) The victim services assessment applies to a conviction of the following offenses:

(1) any crime of violence as defined in section 624.712, subdivision 5, other than a violation of chapter 152;

(2) section 518B.01, subdivision 14 (violation of domestic abuse order for protection);

(3) section 609.2242 (domestic assault);

(4) section 609.324, subdivision 1, 1a, or 2 (patronizing or hiring an individual engaged in prostitution);

(5) section 609.3458 (sexual extortion);

(6) section 609.748, subdivision 6 (violation of harassment restraining order);

(7) section 617.261 (nonconsensual dissemination of private sexual images); or

(8) section 629.75 (violation of domestic abuse no contact order).

(c) The court must waive payment of the assessment required under this subdivision on a showing of indigency and may waive or reduce payment of the assessment on a showing of undue hardship upon the convicted person or the convicted person's immediate family.

(d) Assessments collected under this section must be deposited into the Minnesota victims of crime account under section 299A.708.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to sentences announced on or after that date.

Sec. 21. **[626.5536] LAW ENFORCEMENT REQUIRED TO REGISTER FOR ETRACE SYSTEM AND TRACE AND REPORT ON RECOVERED OR CONFISCATED FIREARMS.**

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

(1) "recovered or confiscated" means any of the following:

(i) obtained from a crime scene or in connection with a criminal investigation;

(ii) seized by a law enforcement agency;

(iii) forfeited to a law enforcement agency;

(iv) acquired by a law enforcement agency as an abandoned or discarded firearm;

(v) obtained following the unlawful discharge of a firearm; or

(vi) otherwise obtained and reasonably believed to be connected to a crime; and

(2) "law enforcement agency" does not include the State Patrol or the Department of Natural Resources.

Subd. 2. **Reporting required.** (a) Each law enforcement agency shall register for the United States Bureau of Alcohol, Tobacco, Firearms and Explosives National Tracing Center's eTrace system, and opt-in to the system's collective data sharing feature.

(b) Whenever a firearm is recovered or confiscated by a law enforcement agency, the agency must, as soon as practicable, transmit information relating to the firearm to the eTrace system.

Sec. 22. Laws 2023, chapter 52, article 2, section 3, subdivision 2, is amended to read:

Subd. 2. **Public Safety Administration**	1,000,000	2,250,000	2,000,000

(a) **Public Safety Officer Survivor Benefits**

$1,000,000 in fiscal year 2023, $1,000,000 in fiscal year 2024, and $1,000,000 in fiscal year 2025 are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until June 30, 2027.

(b) **Soft Body Armor Reimbursements**

$1,000,000 each year is for increases in the base appropriation for soft body armor reimbursements under Minnesota Statutes, section 299A.38. This is a onetime appropriation.

(c) **Firearm Storage Grants**

$250,000 the first year is for grants to local or state law enforcement agencies to support the safe and secure storage of firearms owned by persons subject to extreme risk protection orders. The commissioner must apply for a grant from the Byrne State Crisis Intervention Program to supplement the funds appropriated by the legislature for implementation of Minnesota Statutes, sections 624.7171 to 624.7178 and 626.8481. Of the federal funds received, the commissioner must dedicate at least an amount that is equal to this appropriation to fund safe and secure firearms storage grants provided for under this paragraph.

Sec. 23. Laws 2023, chapter 52, article 2, section 3, subdivision 3, is amended to read:

Subd. 3. **Emergency Management**	7,330,000	4,417,000
Appropriations by Fund		
General	7,211,000	4,290,000
Environmental	119,000	127,000

(a) **Supplemental Nonprofit Security Grants**

$250,000 each year is for supplemental nonprofit security grants under this paragraph. This appropriation is onetime.

Nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this paragraph. No additional application shall be required for grants under this paragraph, and an application for a grant from the federal program is also an application for funding from the state supplemental program.

Eligible organizations may receive grants of up to $75,000, except that the total received by any individual from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed $75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program. No grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program. This is a onetime appropriation.

(b) **Emergency Preparedness Staff**

$550,000 each year is for additional emergency preparedness staff members.

(c) **Lake Superior Chippewa Tribal Emergency Management Coordinator**

$145,000 each year is for a grant to the Grand Portage Band of Lake Superior Chippewa to establish and maintain a Tribal emergency management coordinator under Minnesota Statutes, section 12.25.

(d) **Grand Portage Band of Lake Superior Chippewa Tribe Coast Guard Services**

$3,000,000 the first year is for a grant to the Grand Portage Band of Lake Superior Chippewa to purchase equipment and fund a position for coast guard services off the north shore of Lake Superior. <u>This appropriation is available until June 30, 2027.</u>

Sec. 24. Laws 2023, chapter 52, article 2, section 3, subdivision 8, as amended by Laws 2023, chapter 69, section 12, and Laws 2024, chapter 123, article 1, section 11, and Laws 2024, chapter 123, article 9, section 3, is amended to read:

Subd. 8. **Office of Justice Programs**	94,758,000	80,434,000
Appropriations by Fund		
General	94,662,000	80,338,000
State Government Special Revenue	96,000	96,000

(a) **Domestic and Sexual Violence Housing**

$1,500,000 each year is to establish a Domestic Violence Housing First grant program to provide resources for survivors of violence to access safe and stable housing and for staff to provide mobile advocacy and expertise in housing resources in their community and a Minnesota Domestic and Sexual Violence Transitional Housing program to develop and support medium to long term transitional housing for survivors of domestic and sexual violence with supportive services. The base for this appropriation is $1,000,000 beginning in fiscal year 2026.

(b) **Federal Victims of Crime Funding Gap**

$11,000,000 each year is to fund services for victims of domestic violence, sexual assault, child abuse, and other crimes. This is a onetime appropriation.

(c) **Office for Missing and Murdered Black Women and Girls**

$1,248,000 each year is to establish and maintain the Minnesota Office for Missing and Murdered Black Women and Girls.

(d) **Increased Staffing**

$667,000 the first year and $1,334,000 the second year are to increase staffing in the Office of Justice Programs for grant monitoring and compliance; provide training and technical assistance to grantees and potential grantees; conduct community outreach and engagement to improve the experiences and outcomes of applicants, grant recipients, and crime victims throughout Minnesota; expand the Minnesota Statistical Analysis Center; and increase staffing for the crime victim reimbursement program and the Crime Victim Justice Unit.

(e) **Office of Restorative Practices**

$500,000 each year is to establish and maintain the Office of Restorative Practices.

(f) **Crossover and Dual-Status Youth Model Grants**

$1,000,000 each year is to provide grants to local units of government to initiate or expand crossover youth practices model and dual-status youth programs that provide services for youth who are involved with or at risk of becoming involved with both the child welfare and juvenile justice systems, in accordance with the Robert F. Kennedy National Resource Center for Juvenile Justice model. This is a onetime appropriation.

(g) **Restorative Practices Initiatives Grants**

$4,000,000 each year is for grants to establish and support restorative practices initiatives pursuant to Minnesota Statutes, section 299A.95, subdivision 6, and for a restitution grant program under Minnesota Statutes, section 299A.955. This appropriation is available until June 30, 2026. The base for this appropriation is $2,500,000 beginning in fiscal year 2026.

(h) **Ramsey County Youth Treatment Homes Acquisition and Betterment**

$5,000,000 the first year is for a grant to Ramsey County to establish, with input from community stakeholders, including impacted youth and families, up to seven intensive trauma-informed therapeutic treatment homes in Ramsey County that are licensed by the Department of Human Services, that are culturally specific, that are community-based, and that can be secured. These residential spaces must provide intensive treatment and intentional healing for youth as ordered by the court as part of the disposition of a case in juvenile court. This appropriation is available through June 30, ~~2026~~ 2027.

(i) **Ramsey County Violence Prevention**

$5,000,000 the first year is for a grant to Ramsey County to award grants to develop new and further enhance existing community-based organizational support through violence prevention and community wellness grants. Grantees must use the money to create family support groups and resources to support families during the time a young person is placed out of home following a juvenile delinquency adjudication and support the family through the period of postplacement reentry; create community-based respite options for conflict or crisis de-escalation to prevent incarceration or further systems involvement for families; or establish additional meaningful employment opportunities for systems-involved youth. This appropriation is available through June 30, 2027.

(j) **Office for Missing and Murdered Indigenous Relatives**

$274,000 each year is for increased staff and operating costs of the Office for Missing and Murdered Indigenous Relatives, the Missing and Murdered Indigenous Relatives Advisory Board, and the Gaagige-Mikwendaagoziwag reward advisory group.

(k) **Youth Intervention Programs**

$3,525,000 the first year and $3,526,000 the second year are for youth intervention programs under Minnesota Statutes, section 299A.73. The base for this appropriation is $3,526,000 in fiscal year 2026 and $3,525,000 in fiscal year 2027.

(l) **Community Crime Intervention and Prevention Grants**

$750,000 each year is for community crime intervention and prevention program grants, authorized under Minnesota Statutes, section 299A.296. This is a onetime appropriation.

(m) **Resources for Victims of Crime**

$1,000,000 each year is for general crime victim grants to meet the needs of victims of crime not covered by domestic violence, sexual assault, or child abuse services. This is a onetime appropriation.

(n) **Prosecutor Training**

$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. All training funded with grant proceeds must contain blocks of instruction on racial disparities in the criminal justice system, collateral consequences to criminal convictions, and trauma-informed responses to victims. This is a onetime appropriation.

The Minnesota County Attorneys Association must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the training provided with grant proceeds, including a description of each training and the number of prosecutors and law enforcement officers who received training. The report is due by February 15, 2025. The report may include trainings scheduled to be completed after the date of submission with an estimate of expected participants.

(o) **Minnesota Heals**

$500,000 each year is for the Minnesota Heals grant program. This is a onetime appropriation.

(p) **Sexual Assault Exam Costs**

$3,967,000 the first year and $3,767,000 the second year are to reimburse qualified health care providers for the expenses associated with medical examinations administered to victims of criminal sexual conduct as required under Minnesota Statutes, section 609.35, and for costs to administer the program. The base for this appropriation is $3,771,000 in fiscal year 2026 and $3,776,000 in fiscal year 2027.

(q) **First Responder Mental Health Curriculum**

$75,000 each year is for a grant to the Adler graduate school. The grantee must use the grant to develop a curriculum for a 24-week certificate to train licensed therapists to understand the nuances, culture, and stressors of the work environments of first responders to allow those therapists to provide effective treatment to first responders in distress. The grantee must collaborate with first responders who are familiar with the psychological, cultural, and professional issues of their field to develop the curriculum and promote it upon completion.

The grantee may provide the program online.

The grantee must seek to recruit additional participants from outside the 11-county metropolitan area.

The grantee must create a resource directory to provide law enforcement agencies with names of counselors who complete the program and other resources to support law enforcement professionals with overall wellness. The grantee shall collaborate with the Department of Public Safety and law enforcement organizations to promote the directory. This is a onetime appropriation.

(r) **Pathways to Policing**

$400,000 each year is for reimbursement grants to state and local law enforcement agencies that operate pathway to policing programs. Applicants for reimbursement grants may receive up to 50 percent of the cost of compensating and training program participants. Reimbursement grants shall be proportionally allocated based on the number of grant applications approved by the commissioner. This is a onetime appropriation.

(s) **Direct Assistance to Crime Victim Survivors**

$5,000,000 each year is to provide grants for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct

client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. The office shall prioritize culturally specific programs, or organizations led and staffed by persons of color that primarily serve communities of color, when allocating funds.

(t) **Racially Diverse Youth**

$250,000 each year is for grants to organizations to address racial disparity of youth using shelter services in the Rochester and St. Cloud regional areas. Of this amount, $125,000 each year is to address this issue in the Rochester area and $125,000 each year is to address this issue in the St. Cloud area. A grant recipient shall establish and operate a pilot program connected to shelter services to engage in community intervention outreach, mobile case management, family reunification, aftercare, and follow up when family members are released from shelter services. A pilot program must specifically address the high number of racially diverse youth that enter shelters in the regions. This is a onetime appropriation.

(u) **Violence Prevention Project Research Center**

$500,000 each year is for a grant to the Violence Prevention Project Research Center, operating as a 501(c)(3) organization, for research focused on reducing violence in society that uses data and analysis to improve criminal justice-related policy and practice in Minnesota. Research must place an emphasis on issues related to deaths and injuries involving firearms. This is a onetime appropriation.

Beginning January 15, 2025, the Violence Prevention Project Research Center must submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on its work and findings. The report must include a description of the data reviewed, an analysis of that data, and recommendations to improve criminal justice-related policy and practice in Minnesota with specific recommendations to address deaths and injuries involving firearms.

(v) **Report on Approaches to Address Illicit Drug Use in Minnesota**

$118,000 each year is to enter into an agreement with Rise Research LLC for a study and set of reports on illicit drug use in Minnesota describing current responses to that use, reviewing alternative approaches utilized in other jurisdictions, and making policy and funding recommendations for a holistic and effective response to illicit drug use and the illicit drug trade. The agreement must establish a budget and schedule with clear deliverables. This appropriation is onetime.

The study must include a review of current policies, practices, and funding; identification of alternative approaches utilized effectively in other jurisdictions; and policy and funding recommendations for a response to illicit drug use and the illicit drug trade that reduces and, where possible, prevents harm and expands individual and community health, safety, and autonomy. Recommendations must consider impacts on public safety, racial equity, accessibility of health and ancillary supportive social services, and the intersections between drug policy and mental health, housing and homelessness, overdose and infectious disease, child welfare, and employment.

Rise Research may subcontract and coordinate with other organizations or individuals to conduct research, provide analysis, and prepare the reports required by this section.

Rise Research shall submit reports to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy, human services finance and policy, health finance and policy, and judiciary finance and policy. Rise Research shall submit an initial report by February 15, 2024, and a final report by March 1, 2025.

(w) **Legal Representation for Children**

$150,000 each year is for a grant to an organization that provides legal representation for children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, in cash, or a combination of the two. These appropriations are in addition to any other appropriations for the legal representation of children. This appropriation is onetime.

(x) **Pretrial Release Study and Report**

$250,000 each year are for a grant to the Minnesota Justice Research Center to study and report on pretrial release practices in Minnesota and other jurisdictions, including but not limited to the use of bail as a condition of pretrial release. This appropriation is onetime.

(y) **Intensive Comprehensive Peace Officer Education and Training Program**

$5,000,000 the first year is to implement the intensive comprehensive peace officer education and training program described in Minnesota Statutes, section 626.8516. This appropriation is available through June 30, 2027.

(z) **Youth Services Office**

$250,000 each year is to operate the Youth Services Office.

Sec. 25. Laws 2023, chapter 68, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Administration and Related Services**

(a) **Office of Communications**	896,000	1,148,000

This appropriation is from the general fund.

(b) **Public Safety Support**	9,976,000	11,773,000

Appropriations by Fund

	2024	2025
General	5,049,000	6,564,000
Trunk Highway	4,927,000	5,209,000

$1,482,000 in each year is from the general fund for staff and operating costs related to public engagement activities.

(c) **Public Safety Officer Survivor Benefits**	640,000	640,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. <u>This appropriation is available until June 30, 2027.</u>

(d) **Public Safety Officer Reimbursements**	1,367,000	1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This appropriation is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) **Soft Body Armor Reimbursements**	745,000	745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) **Technology and Support Services**	6,712,000	6,783,000

Appropriations by Fund

	2024	2025
General	1,645,000	1,684,000
Trunk Highway	5,067,000	5,099,000

Sec. 26. **TASK FORCE ON MANDATORY MINIMUM SENTENCES.**

Subdivision 1. **Definition.** As used in this section, "mandatory minimum" means legislatively defined, predetermined sentencing requirements, including but not limited to sentencing requirements under Minnesota Statutes, sections 152.021, 152.022, and 609.11, that mandate a minimum period of commitment to the commissioner of corrections upon conviction for certain offenses.

Subd. 2. **Establishment.** The Task Force on Mandatory Minimum Sentences is established to collect and analyze data on the charging, convicting, and sentencing of persons to mandatory minimum sentences; assess whether current laws and practices promote public safety and equity in sentencing; and make recommendations to the legislature.

Subd. 3. **Membership.** (a) The task force consists of the following members:

(1) the commissioner of corrections, or a designee;

(2) the executive director of the Minnesota Sentencing Guidelines Commission, or a designee;

(3) the state public defender, or a designee;

(4) the statewide coordinator of the Violent Crime Coordinating Council, or a designee;

(5) one defense attorney, appointed by the Minnesota Association of Criminal Defense Lawyers;

(6) two county attorneys, one from Hennepin or Ramsey County and one from outside the seven-county metropolitan area, appointed by the Minnesota County Attorneys Association;

(7) a peace officer familiar with shooting investigations, appointed by the Minnesota Sheriffs' Association;

(8) a peace officer familiar with shooting investigations, appointed by the Minnesota Chiefs of Police Association;

(9) one member representing a victims' rights organization, appointed by the senate majority leader;

(10) one member of a statewide civil rights organization, appointed by the speaker of the house of representatives;

(11) one retired district court judge, appointed by the chief justice;

(12) one impacted person who is directly related to a person who has been convicted of a mandatory minimum sentence or who has themselves been convicted of a mandatory minimum sentence and has completed the sentence, appointed by the governor; and

(13) one person with academic expertise regarding the laws and practices of other states relating to mandatory minimum sentences, appointed by the governor.

(b) Appointments must be made no later than July 30, 2025.

(c) Members shall serve without compensation.

(d) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 4. **Officers; meetings.** (a) The task force shall elect a chair and vice-chair and may elect other officers as necessary.

(b) The commissioner of corrections shall convene the first meeting of the task force no later than August 1, 2025, and shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

(c) The task force shall meet at least monthly or upon the call of the chair. The task force shall meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

(d) To compile and analyze data, the task force shall request the cooperation and assistance of local law enforcement agencies, the Minnesota Sentencing Guidelines Commission, the judicial branch, the Bureau of Criminal Apprehension, county attorneys, and Tribal governments and may request the cooperation of academics and others with experience and expertise in researching the impact of mandatory minimum sentences.

Subd. 5. **Duties.** (a) The task force shall, at a minimum:

(1) collect and analyze data on charges, convictions, and sentences that involve mandatory minimum sentences;

(2) collect and analyze data on mandatory minimum sentences in which a person received a mitigated durational departure because the mandatory minimum sentence was seen as inappropriate by a judge or county attorney, or both;

(3) collect and analyze data on mandatory minimum sentences in which a person likely would have received a mitigated durational departure but for the enforcement of a mandatory minimum sentence;

(4) collect and analyze data on charges, convictions, and sentences for codefendants of persons sentenced to a mandatory minimum sentence;

(5) review relevant state statutes and state and federal court decisions;

(6) receive input from persons who were convicted of a crime with a mandatory minimum sentence;

(7) receive input from family members of persons who were convicted of a crime with a mandatory minimum sentence;

(8) receive input from persons who were victims of crimes with a mandatory minimum sentence;

(9) receive input from family members of persons who were victims of crimes with a mandatory minimum sentence;

(10) analyze the benefits and unintended consequences of state statutes and practices related to the charging, convicting, and sentencing of persons of crimes with mandatory minimum sentences, including but not limited to an analysis of whether current statutes and practices:

(i) promote public safety; and

(ii) properly punish a person for that person's role in an offense; and

(11) make recommendations for legislative action, if any, on laws affecting:

(i) the collection and reporting of data; and

(ii) the charging, convicting, and sentencing of persons for crimes with mandatory minimum sentences.

(b) At its discretion, the task force may examine, as necessary, other related issues consistent with this section.

Subd. 6. **Report.** On or before August 15, 2026, the task force shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over criminal sentencing on the findings and recommendations of the task force.

Subd. 7. **Expiration.** The task force expires the day after submitting the report under subdivision 6.

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

ARTICLE 3
FINANCIAL CRIMES AND FRAUD INVESTIGATIONS

Section 1. Minnesota Statutes 2024, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, ~~the Department of Commerce,~~ and county human service agency client and provider fraud investigation, prevention, and control units operated or supervised by the Department of Human Services.

Sec. 2. Minnesota Statutes 2024, section 43A.17, subdivision 13, is amended to read:

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, including Financial Crimes and Fraud Section agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; and Department of Corrections Fugitive Apprehension Unit members~~; and Commerce Fraud Bureau agents in the Department of Commerce~~.

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits.

Sec. 3. Minnesota Statutes 2024, section 45.0135, subdivision 2b, is amended to read:

Subd. 2b. **Duties.** The commissioner of commerce ~~Fraud Bureau shall~~ may:

(1) review notices and reports ~~within the Commerce Fraud Bureau's primary jurisdiction~~ submitted by authorized insurers, their employees, and agents or producers regarding insurance fraud, as defined in section 60A.951, subdivision 4;

~~(2) respond to notifications or complaints within the Commerce Fraud Bureau's primary jurisdiction generated by other law enforcement agencies, state or federal governmental units, or any other person;~~

~~(3)~~ (2) initiate inquiries and conduct investigations under section 45.027 when the ~~bureau~~ commissioner has reason to believe that ~~an offense within the Commerce Fraud Bureau's primary jurisdiction~~ insurance fraud, as defined in section 60A.951, subdivision 4, has been or is being committed; and

~~(4) report crimes disclosed by the Commerce Fraud Bureau's investigations to appropriate law enforcement agencies, including, but not limited to, the attorney general, county attorneys, or any other appropriate law enforcement or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist any law enforcement authority having jurisdiction.~~

(3) share active investigative data pursuant to section 13.39 concerning insurance fraud with the commissioner of public safety and the Bureau of Criminal Apprehension.

Sec. 4. Minnesota Statutes 2024, section 45.0135, is amended by adding a subdivision to read:

Subd. 2g. **Criminal insurance fraud investigations.** (a) The Bureau of Criminal Apprehension shall conduct investigations of criminal insurance fraud, as defined in section 609.611, in accordance with section 299C.061.

(b) The commissioner shall report criminal insurance fraud-related crimes disclosed by the Department of Commerce's investigations of civil insurance fraud to the Bureau of Criminal Apprehension.

Sec. 5. Minnesota Statutes 2024, section 45.0135, subdivision 6, is amended to read:

Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account is created in the state treasury. Money received from assessments under ~~subdivision 7~~ section 299C.061, subdivision 10, and transferred from the automobile theft prevention account in sections 65B.84, subdivision 1, and 297I.11, subdivision 2, is deposited in the account. Money in this fund is appropriated to the commissioner of ~~commerce~~ public safety for the purposes specified in this section and sections 60A.951 to 60A.956.

Sec. 6. Minnesota Statutes 2024, section 45.0135, subdivision 7, is amended to read:

Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota, including surplus lines carriers, and having Minnesota earned premium the previous calendar year shall remit an assessment to the commissioner of public safety for deposit in the insurance fraud prevention account on or before June 1 of each year. The amount of the assessment shall be based on the insurer's total assets and on the insurer's total written Minnesota premium, for the preceding fiscal year, as reported pursuant to section 60A.13. The commissioner of public safety shall consult with the commissioner of commerce for purposes of calculating the assessment amount. Beginning with the payment due on or before June 1, 2024, the assessment amount is:

Total Assets	Assessment
Less than $100,000,000	$400
$100,000,000 to $1,000,000,000	$1,500
Over $1,000,000,000	$4,000

Minnesota Written Premium	Assessment
Less than $10,000,000	$400
$10,000,000 to $100,000,000	$1,500
Over $100,000,000	$4,000

For purposes of this subdivision, the following entities are not considered to be insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or township mutuals organized under chapter 67A.

Sec. 7. Minnesota Statutes 2024, section 45.0135, subdivision 8, is amended to read:

Subd. 8. **Investigations; health-related boards.** (a) The ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension may consult with the appropriate health-related board when a licensee, licensed under chapter 144E, 147, 148, 148B, or 150A, is suspected of insurance fraud.

(b) The bureau shall, for any conviction involving or related to insurance, send copies of all public data in its possession to the appropriate health-related licensing board.

Sec. 8. Minnesota Statutes 2024, section 45.0135, subdivision 9, is amended to read:

Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may:

(1) impose an administrative penalty against any person in an amount as set forth in paragraph (b) for each intentional act of insurance fraud or substantiated acts of attempted insurance fraud, as defined in section 60A.951, subdivision 4, committed by that person;

(2) order restitution to any person suffering loss as a result of the insurance fraud; and

(3) order restitution to a company for the reasonable documented cost of any investigation in connection with the insurance fraud.

(b) The administrative penalty for each violation described in paragraph (a) may be no more than:

(1) $20,000 if the funds or the value of the property or services wrongfully obtained exceeds $5,000;

(2) $10,000 if the funds or value of the property or services wrongfully obtained exceeds $1,000, but not more than $5,000;

(3) $3,000 if the funds or value of the property or services wrongfully obtained is more than $500, but not more than $1,000; and

(4) $1,000 if the funds or value of the property or services wrongfully obtained is $500 or less.

(c) If an administrative penalty is not paid after all rights of appeal have been waived or exhausted, the commissioner may bring a civil action in a court of competent jurisdiction to collect the administrative penalty, including expenses and litigation costs, reasonable attorney fees, and interest.

(d) This section does not affect a person's right to seek recovery, including expenses and litigation costs, reasonable attorney fees, and interest, against any person that commits insurance fraud.

(e) For purposes of this subdivision, "insurance fraud" has the meaning given in section 60A.951, subdivision 4.

(f) Hearings under this subdivision must be conducted in accordance with chapter 14 and any other applicable law.

(g) All revenues from penalties, expenses, costs, fees, and interest collected under paragraphs (a) to (c) shall be deposited ~~in~~ into the insurance fraud prevention account under ~~subdivision 6~~ section 299C.061, subdivision 9.

Sec. 9. Minnesota Statutes 2024, section 60A.951, subdivision 2, is amended to read:

Subd. 2. **Authorized person.** "Authorized person" means the county attorney, sheriff, or chief of police responsible for investigations in the county where the suspected insurance fraud occurred; the superintendent of the Bureau of Criminal Apprehension; the commissioner of commerce; ~~the Commerce Fraud Bureau;~~ the commissioner of labor and industry; the attorney general; or any duly constituted criminal investigative department or agency of the United States.

Sec. 10. Minnesota Statutes 2024, section 60A.952, subdivision 2, is amended to read:

Subd. 2. **Notice to and cooperation with the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension.** Any insurer or insurance professional that has reasonable belief that an act of insurance fraud will be, is being, or has been committed, shall furnish and disclose all relevant information to the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension or to any authorized person and cooperate fully with any investigation conducted by the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension. Any person that has a reasonable belief that an act of insurance fraud will be, is being, or has been committed, or any person who collects, reviews, or analyzes information concerning insurance fraud, may furnish and disclose any information in its possession concerning the act to the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, any authorized person, or to an authorized representative of an insurer that requests the information for the purpose of detecting, prosecuting, or preventing insurance fraud. The insurer may also release relevant information to any person authorized to receive the information under section 72A.502, subdivision 2. If disclosure is made to an authorized person other than the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, a copy of the disclosure must be sent to the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension.

Sec. 11. Minnesota Statutes 2024, section 60A.952, subdivision 4, is amended to read:

Subd. 4. **Tolling of time periods.** If an insurer has a reasonable or probable cause to believe that an insurance fraud has been committed in connection with an insurance claim, and has properly notified the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension of its suspicions according to subdivision 2, the notification tolls any applicable time period in any unfair claims practices statute or related regulations, or any action on the claim against the insurer to whom the claim had been presented for bad faith, until 30 days after determination by the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension and notice to the insurer that the ~~division~~ Bureau of Criminal Apprehension will not recommend action on the claim.

Sec. 12. Minnesota Statutes 2024, section 60A.952, subdivision 5, is amended to read:

Subd. 5. **Reward for information.** The ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, in cooperation with authorized insurers and insurance professionals, may establish a voluntary fund to reward persons not connected with the insurance industry who provide information or furnish evidence leading to the arrest and conviction of persons responsible for insurance fraud.

Sec. 13. Minnesota Statutes 2024, section 60A.954, subdivision 2, is amended to read:

Subd. 2. **Review.** The commissioner may review each insurer's antifraud plan to determine whether it complies with the requirements of this section. If the commissioner finds that an insurer's antifraud plan does not comply with the requirements of this section, the commissioner shall disapprove the plan and send a notice of disapproval,

along with the reasons for disapproval, to the insurer. An insurer whose antifraud plan has been disapproved by the commissioner shall submit a new plan to the commissioner within 60 days after the plan was disapproved. The commissioner may examine an insurer's procedures to determine whether the insurer is complying with its antifraud plan. The commissioner shall withhold from public inspection any part of an insurer's antifraud plan for so long as the commissioner deems the withholding to be in the public interest. The commissioner may share an insurer's complete antifraud plan with the Bureau of Criminal Apprehension.

Sec. 14. Minnesota Statutes 2024, section 60A.956, is amended to read:

60A.956 OTHER LAW ENFORCEMENT AUTHORITY.

Nothing in sections 60A.951 to 60A.956 preempts the authority of or relieves the duty of any other law enforcement agencies to investigate and prosecute alleged violations of law, prevents or prohibits a person from voluntarily disclosing any information concerning insurance fraud to any law enforcement agency other than the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, or limits any of the powers granted elsewhere by the laws of this state to the commissioner of commerce to investigate alleged violations of law and to take appropriate action.

Sec. 15. Minnesota Statutes 2024, section 65B.84, is amended to read:

65B.84 AUTOMOBILE THEFT PREVENTION PROGRAM.

Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The commissioner of ~~commerce~~ public safety shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money, in consultation with the commissioner of ~~public safety~~ commerce, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of $1,300,000 each year to the insurance fraud prevention account described in section 297I.11, subdivision 2.

(c) At the end of each fiscal year, the commissioner may transfer any unobligated balances in the auto theft prevention account to the insurance fraud prevention account under section ~~45.0135, subdivision 6~~ 299C.061, subdivision 9.

(d) The commissioner must establish a library of equipment to combat automobile-related theft offenses. The equipment must be available to all law enforcement agencies upon request to support law enforcement agency efforts to combat automobile theft.

Subd. 2. **Annual report.** By September 30 each year, the commissioner of public safety shall report to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over the ~~Departments~~ Department of ~~Commerce and~~ Public Safety on the activities and expenditures in the preceding year.

Subd. 3. **Grant criteria; application.** (a) A county attorney's office, law enforcement agency, neighborhood organization, community organization, or business organization may apply for a grant under this section. Multiple offices or agencies within a county may apply for a grant under this section.

(b) The commissioner of public safety, in consultation with the commissioner of ~~public safety~~ commerce, must develop criteria for the fair distribution of grants from the automobile theft prevention account that address the following factors:

(1) the number of reported automobile thefts per capita in a city, county, or region, not merely the total number of automobile thefts;

(2) the population of the jurisdiction of the applicant office or agency;

(3) the total funds distributed within a county or region; and

(4) the statewide interest in automobile theft reduction.

(c) The commissioner may give priority to:

(1) offices and agencies engaged in a collaborative effort to reduce automobile theft; and

(2) counties or regions with the greatest rates of automobile theft.

(d) The minimum amount of a grant award is $5,000. After considering the automobile theft rate and total population of an applicant's jurisdiction, if a grant award, as determined under the criteria and priorities in this subdivision, would be less than $5,000, it must not be awarded.

Subd. 4. **Advisory board; creation; membership.** An Automobile Theft Prevention Advisory Board is established to advise the commissioner on the distribution of grants under this section. The board must consist of seven members appointed by the commissioner of public safety and must include representatives of law enforcement, prosecuting agencies, automobile insurers, and the public. The commissioner must annually select a chair from among its members.

Subd. 5. **Definition.** For purposes of this section, "automobile theft" includes automobile-related theft.

Sec. 16. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry ~~and the Commerce Fraud Bureau in~~, the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

(11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;

(18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; and

(19) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 17. Minnesota Statutes 2024, section 268B.30, is amended to read:

268B.30 DATA PRIVACY.

(a) Except as provided by this section, data collected, created, or maintained under this chapter are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and must not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order.

(b) Data classified under paragraph (a) may be disseminated to and used by the following without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) the unemployment insurance division, to the extent necessary to administer the programs established under this chapter and chapter 268;

(3) employers, to the extent necessary to support adjudication of application requests and to support the employer's administration of a leave of absence;

(4) health care providers, to the extent necessary to support verification of health care conditions and qualifying events;

(5) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(6) human rights agencies within Minnesota that have enforcement powers;

(7) the Department of Revenue, to the extent necessary for its duties under Minnesota laws;

(8) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(9) the Department of Labor and Industry ~~and the Commerce Fraud Bureau in~~, the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;

(10) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(11) the Department of Public Safety for support in identity verification;

(12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(13) the Department of Health for the purposes of epidemiologic investigations;

(14) the Department of Corrections for the purposes of tracking incarceration of applicants; and

(15) contracted third parties, to the extent necessary to aid in identity verification, adjudication, administration, and evaluation of the program.

(c) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268B.19, 268B.21, 268B.22, or 268B.23 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(d) Data gathered by the department in the administration of this chapter must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 18. Minnesota Statutes 2024, section 297I.11, subdivision 2, is amended to read:

Subd. 2. **Automobile theft prevention account.** A special revenue account in the state treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1. Of the revenue in the account, $1,300,000 each year must be transferred to the insurance fraud prevention account under section ~~45.0135, subdivision 6~~ 299C.061, subdivision 9. Revenues in excess of $1,300,000 each year may be used only for the automobile theft prevention program described in section 65B.84.

Sec. 19. **[299C.061] FINANCIAL CRIMES AND FRAUD SECTION.**

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, 609.466, 609.52, 609.5523, 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.

Subd. 2. **Financial Crimes and Fraud Section.** The superintendent shall operate the Financial Crimes and Fraud Section within the Bureau of Criminal Apprehension to conduct investigations into insurance fraud, financial crimes, wage theft, and fraud involving state-funded or administered programs or services. The Section shall be partially or fully comprised of licensed peace officers. Members of this Section have the full authorities specified in chapter 299C and are not limited to the duties enumerated in this statutory section.

Subd. 3. **Duties.** The Financial Crimes and Fraud Section shall:

(1) review notices and reports of insurance fraud and related crimes submitted by authorized insurers, their employees, and agents or producers pursuant to sections 60A.951 to 60A.956;

(2) initiate inquiries and conduct investigations when the Section has reason to believe that any of the following offenses have been or are being committed:

(i) fraud involving state-funded or administered programs or services in subdivision 1, paragraph (b);

(ii) insurance fraud and related crimes, as defined in sections 60A.951, subdivision 4, and 609.611, and support of those activities;

(iii) wage theft and related crimes; and

(iv) any other financial crimes; and

(3) operate the automobile theft prevention program under section 65B.84.

Subd. 4. **Mandatory referral; duty to investigate.** (a) Except as provided in paragraphs (b) and (d), a state agency shall refer all suspected fraudulent activity under the provisions in subdivision 1, paragraph (b), equaling $100,000 or more to the Section for evaluation and investigation or appropriate referral. Upon receipt of the referral, the Section shall review and, where appropriate, conduct criminal investigations into the allegations. The Section has sole discretion as to which allegations are investigated further, referred back to the reporting agency for appropriate regulatory investigation, or referred to another law enforcement agency with appropriate jurisdiction.

(b) When acting in a civil or criminal law enforcement capacity and permitted by applicable law or order, the attorney general may, in the attorney general's discretion, refer suspected fraudulent activity under the provisions in subdivision 1, paragraph (b), to the Section for evaluation and investigation or appropriate referral in accordance with paragraph (a).

(c) Notwithstanding paragraph (b), this section has no effect on the authority of the attorney general to investigate and enforce violations or suspected violations of Minnesota civil or criminal law.

(d) Referral to the Section under this subdivision is not required when a state agency is required to refer the fraudulent activity to the state Medicaid Fraud Control Unit in accordance with Code of Federal Regulations, title 42, section 455.21(A)(1)(a), and section 256B.04, subdivision 10.

Subd. 5. **Discretionary referral.** A state agency may refer suspected fraud involving state-funded or administered programs or services equaling less than $100,000 to the Section for investigation. Upon referral, the Section shall:

(1) accept the referral and, where appropriate, conduct criminal investigations into the allegations and make appropriate referrals for criminal prosecution; or

(2) redirect the referral to another appropriate law enforcement agency or civil investigative authority, offering assistance where appropriate.

Subd. 6. **Data sharing authorized.** Notwithstanding chapter 13 or any other statute related to the classification of government data to the contrary, state agencies making a referral under subdivision 4 or 5 shall provide data related to the suspected fraudulent activity to the Section, including data classified as not public. The Section may share active criminal investigative data concerning insurance fraud with the Department of Commerce.

Subd. 7. **State agency reporting.** By January 15 of each year, each state agency must report all suspected fraud incurred by the agency that involves state-funded or administered programs or services equaling $10,000 or more to the Section to be summarized in the report under subdivision 8. This subdivision does not apply to information obtained by the attorney general when acting in a civil or criminal law enforcement capacity.

Subd. 8. **Annual report.** (a) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance, and commerce consumer protection policy and finance, the following information pertaining to the Section since the previous report:

(1) the number of investigations initiated;

(2) the number of allegations investigated;

(3) the outcomes or current status of each investigation;

(4) the charging decisions made by the prosecuting authority of incidents investigated by the Section;

(5) the number of plea agreements reached in incidents investigated by the Section;

(6) the number of reports received under subdivision 7;

(7) the number of state agency referrals to the state Medicaid Fraud Control Unit reported to the superintendent under paragraph (b); and

(8) any other information relevant to the Section's responsibilities.

(b) No later than January 15 of each odd-numbered year, each state agency that is required to make referrals to the state Medicaid Fraud Control Unit in accordance with Code of Federal Regulations, title 42, section 455.21(A)(1)(a), and section 256B.04, subdivision 10, shall report the following information to the superintendent for the two previous calendar years:

(1) the number of cases referred to the state Medicaid Fraud Control Unit;

(2) the number of referrals accepted by the state Medicaid Fraud Control Unit; and

(3) the number of referrals declined by the state Medicaid Fraud Control Unit.

Subd. 9. **Funding allocation.** One hundred percent of the funding allocated to the Bureau of Criminal Apprehension for the assessment in subdivision 10 may only be used for the investigation of insurance fraud and related crimes, as defined in sections 60A.951, subdivision 4, and 609.611, and support of those activities.

EFFECTIVE DATE. (a) Subdivisions 1, 2, 3, 6, and 9 are effective July 1, 2025.

(b) Subdivisions 4, 5, 7, and 8 are effective January 1, 2026.

Sec. 20. Minnesota Statutes 2024, section 299C.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located in the Department of Public Safety and managed by the Bureau of Criminal Apprehension. A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

(c) "Law enforcement agency" means a Minnesota municipal police department, the Metropolitan Transit Police, the Metropolitan Airports Police, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a Minnesota county sheriff's department, the Enforcement Division of the Department of Natural Resources, ~~the Commerce Fraud Bureau,~~ the Bureau of Criminal Apprehension, or the Minnesota State Patrol.

Sec. 21. Minnesota Statutes 2024, 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 ~~them~~.

(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 Department of Commerce Fraud Bureau,~~ 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; 609.466; 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. 22. Minnesota Statutes 2024, section 626.05, subdivision 2, is amended to read:

Subd. 2. **Peace officer.** The term "peace officer," as used in sections 626.04 to 626.17, means a person who is licensed as a peace officer in accordance with section 626.84, subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, conservation officer, agent of the Bureau of Criminal Apprehension, agent of the Division of

Alcohol and Gambling Enforcement, ~~peace officer of the Commerce Fraud Bureau,~~ University of Minnesota peace officer, Metropolitan Transit police officer, Minnesota Department of Corrections Fugitive Apprehension Unit member, State Patrol trooper as authorized by section 299D.03, or railroad peace officer as authorized by section 219.995 and United States Code, title 49, section 28101.

Sec. 23. Minnesota Statutes 2024, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given ~~them~~:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections Fugitive Apprehension Unit officers, ~~Department of Commerce Fraud Bureau Unit officers,~~ the statewide coordinator of the Violent Crime Coordinating Council, and railroad peace officers as authorized by section 219.995 and United States Code, title 49, section 28101; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance, and shall include reserve deputies, special deputies, mounted or unmounted patrols, and all other employees or volunteers performing reserve officer functions. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state;

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e); and

(3) subject to the limitation of section 219.995, a railroad company.

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

(h) "Railroad peace officer" means an individual as authorized under United States Code, title 49, section 28101:

(1) employed by a railroad for the purpose of aiding and supplementing law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees; and

(2) licensed by the board.

Sec. 24. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

Column A	Column B
45.0135, subdivision 6	299C.061, subdivision 9
45.0135, subdivision 7	299C.061, subdivision 10
45.0135, subdivision 8	299C.061, subdivision 11
45.0135, subdivision 9	299C.061, subdivision 12
299C.061, subdivision 9	299C.061, subdivision 13

Sec. 25. **REPEALER.**

Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, and 5; and 325E.21, subdivision 2b, are repealed.

ARTICLE 4
CRIMINAL LAW

Section 1. Minnesota Statutes 2024, section 152.021, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more, or 100 dosage units or more, containing heroin or fentanyl;

(4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(6) the person unlawfully possesses:

(i) 50 kilograms or more of cannabis flower;

(ii) ten kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than one kilogram of tetrahydrocannabinols.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 2. Minnesota Statutes 2024, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of six grams or more, or 50 dosage units or more, containing heroin or fentanyl;

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(6) the person unlawfully possesses:

(i) 25 kilograms or more of cannabis flower;

(ii) five kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 500 grams of tetrahydrocannabinols.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 3. Minnesota Statutes 2024, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin or fentanyl;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of: (i) a total weight of three grams or more containing heroin; or (ii) a total weight of five grams or more, or 25 dosage units or more, containing fentanyl;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug other than heroin or fentanyl, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility;

(5) on one or more occasions within a 90-day period the person unlawfully possesses:

(i) more than ten kilograms of cannabis flower;

(ii) more than two kilograms of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 200 grams of tetrahydrocannabinol; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 4. Minnesota Statutes 2024, section 152.025, subdivision 2, is amended to read:

Subd. 2. **Possession and other crimes.** (a) A person is guilty of controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, except cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or a residual amount of one or more mixtures of controlled substances contained in drug paraphernalia; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathic medicine licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

(b) For the purposes of this subdivision, a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 5. Minnesota Statutes 2024, section 152.137, subdivision 1, is amended to read:

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

(b) "Chemical substance" means a substance intended to be used as a precursor in the manufacture of methamphetamine or any other chemical intended to be used in the manufacture of methamphetamine.

(c) "Child" means any person under the age of 18 years.

(d) "Fentanyl" has the meaning given in section 152.01, subdivision 25.

~~(d)~~ (e) "Methamphetamine paraphernalia" means all equipment, products, and materials of any kind that are used, intended for use, or designed for use in manufacturing, injecting, ingesting, inhaling, or otherwise introducing methamphetamine into the human body.

~~(e)~~ (f) "Methamphetamine waste products" means substances, chemicals, or items of any kind used in the manufacture of methamphetamine or any part of the manufacturing process, or the by-products or degradates of manufacturing methamphetamine.

~~(f)~~ (g) "Vulnerable adult" has the meaning given in section 609.232, subdivision 11.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2024, section 152.137, subdivision 2, is amended to read:

Subd. 2. **Prohibited conduct.** (a) No person may knowingly engage in any of the following activities in the presence of a child or vulnerable adult; in the residence of a child or a vulnerable adult; in a building, structure, conveyance, or outdoor location where a child or vulnerable adult might reasonably be expected to be present; in a room offered to the public for overnight accommodation; or in any multiple unit residential building:

(1) manufacturing or attempting to manufacture methamphetamine;

(2) storing any chemical substance;

(3) storing any methamphetamine waste products; or

(4) storing any methamphetamine paraphernalia.

(b) No person may knowingly cause or permit a child or vulnerable adult to inhale, be exposed to, have contact with, or ingest methamphetamine, a chemical substance, or methamphetamine paraphernalia.

(c) No person may knowingly cause or permit a child to inhale, be exposed to, have contact with, or ingest fentanyl.

(d) Paragraphs (b) and (c) do not apply to manufacturers, practitioners, pharmacists, owners of pharmacies, nurses, and other persons when the manufacturer, practitioner, pharmacist, owner of a pharmacy, nurse, or other person is acting in a professional capacity.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2024, 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 ~~and inflicts demonstrable bodily harm~~ is guilty of a ~~felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both~~ 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.

(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, 2025, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2024, section 609.2232, is amended to read:

609.2232 CONSECUTIVE SENTENCES FOR ASSAULTS COMMITTED BY ~~STATE PRISON~~ INMATES.

(a) If an inmate of a state correctional facility is convicted of violating section 609.221, 609.222, 609.223, 609.2231, or 609.224, while confined in the facility, the sentence imposed for the assault shall be executed and run consecutively to any unexpired portion of the offender's earlier sentence. The inmate is not entitled to credit against the sentence imposed for the assault for time served in confinement for the earlier sentence. The inmate shall serve the sentence for the assault in a state correctional facility even if the assault conviction was for a misdemeanor or gross misdemeanor.

(b) If an inmate of a county jail, county regional jail, county work farm, county workhouse, or other local correctional facility is convicted of violating section 609.221, 609.222, 609.223, or 609.2231 while confined in the facility and the victim is a county sheriff or sheriff's deputy, the court must not stay adjudication or imposition of the sentence and the inmate must be sentenced as follows:

(1) if the inmate was serving an executed sentence at the time of the assault, the sentence imposed for the assault shall be executed and run consecutively to that sentence;

(2) if the court imposes an executed sentence for any crime or offense for which the person was in custody when the person committed the assault, the sentence imposed for the assault shall be executed and run consecutively to that sentence; and

(3) if the inmate was serving a probationary sentence or the court imposes a stayed sentence for any crime or offense for which the person was in custody when the person committed the assault, the sentence imposed for the assault shall be executed.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2024, section 609.322, subdivision 1, is amended to read:

Subdivision 1. **Solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree.** (a) Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than $50,000, or both:

(1) solicits or induces an individual under the age of 18 years to practice prostitution;

(2) promotes the prostitution of an individual under the age of 18 years;

(3) receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of 18 years; or

(4) engages in the sex trafficking of an individual under the age of 18 years.

(b) Whoever violates paragraph (a) or subdivision 1a may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than $60,000, or both, if one or more of the following aggravating factors are present:

(1) the offender has committed a prior qualified human trafficking-related offense;

(2) the offense involved a sex trafficking victim who suffered bodily harm during the commission of the offense;

(3) the time period that a sex trafficking victim was held in debt bondage or forced or coerced labor or services exceeded 180 days; or

(4) the offense involved more than one sex trafficking victim.

(c) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that: (1) an executed sentence of between 77 and 108 months must be imposed on an offender convicted of violating (i) this subdivision under the conditions described in paragraph (a), or (ii) subdivision 1a under the conditions described in paragraph (b); and (2) an executed sentence of between 123 and 172 months must be imposed on an offender convicted of violating this subdivision under the conditions described in paragraph (b). Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2024, section 609.593, subdivision 1, is amended to read:

Subdivision 1. **Crime.** Whoever intentionally and without consent from one authorized to give consent causes any damage to or takes, removes, severs, or breaks:

(1) any line erected or maintained for the purpose of transmitting electricity for light, heat, or power, or any insulator or cross-arm, appurtenance or apparatus connected to the line, or any wire, cable, or current of the line; or any component used in the generation, transmission, or distribution of electricity, including equipment used for grounding, system protection, or personnel protection;

(2) any equipment or fixture and any line or wire that is within or carries electricity to the equipment or fixture if the equipment or fixture is established or maintained for the use or benefit of the general public, such as street lights, street lighting systems, and special lighting systems; electric vehicle charging stations; electronic traffic-control signals and camera systems; and electronic warning or notice signs;

~~(2)~~ (3) any pipe or main or hazardous liquid pipeline erected, operated, or maintained for the purpose of transporting, conveying, or distributing gas or other hazardous liquids for light, heat, power, or any other purpose, or any part of the pipe, main, or pipeline, or any valve, meter, holder, compressor, machinery, appurtenance, equipment, or apparatus connected with any main or pipeline; or

~~(3)~~ (4) any machinery, equipment, or fixtures used in receiving, initiating, amplifying, processing, transmitting, retransmitting, recording, switching, or monitoring telecommunications services, such as computers, transformers, amplifiers, routers, repeaters, multiplexers, and other items performing comparable functions; and machinery, equipment, and fixtures used in the transportation of telecommunications services, broadband services, cable services, radio transmitters and receivers, satellite equipment, microwave equipment, and other transporting media including wire, cable, fiber, poles, and conduit;

is guilty of a crime and may be sentenced as provided in subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2024, section 609.78, subdivision 2c, is amended to read:

Subd. 2c. **Felony offense; reporting fictitious emergency resulting in response to the home of certain officials.** Whoever violates subdivision 2, clause (2), is guilty of a felony and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $5,000, or both, if the person places the call with the intent of prompting an emergency response to the home of:

(1) an elected official;

(2) a judge as defined in section 609.221, subdivision 6, clause (5);

(3) a prosecuting attorney as defined in section 609.221, subdivision 6, clause (4);

(4) ~~an employee of a correctional facility as defined in section 241.021, subdivision 1i~~ a correctional employee of the state or a local political subdivision; or

(5) a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2024, section 617.246, subdivision 1, is amended to read:

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

(b) "Minor" means any person under the age of 18.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance or other exhibition presented before an audience or for purposes of visual or mechanical reproduction that uses a minor to depict actual or simulated sexual conduct as defined by ~~clause~~ paragraph (e).

(e) "Sexual conduct" means any of the following:

(1) an act of sexual intercourse, normal or perverted, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(2) sadomasochistic abuse, meaning flagellation, torture, or similar demeaning acts inflicted by or upon a person who is nude or clad in undergarments or in a revealing costume, or the condition of being fettered, bound or otherwise physically restrained on the part of one so clothed;

(3) masturbation;

(4) lewd exhibitions of the genitals; or

(5) physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

(f) " ~~Pornographic work~~ Child sexual abuse material" means:

(1) an original or reproduction of a picture, film, photograph, negative, slide, videotape, videodisc, or drawing of a sexual performance involving a minor; or

(2) any visual depiction, including any photograph, film, video, picture, drawing, negative, slide, or computer-generated image or picture, whether made or produced by electronic, mechanical, or other means that:

(i) uses a minor to depict actual or simulated sexual conduct;

(ii) has been created, adapted, or modified to appear that an identifiable minor is engaging in sexual conduct; ~~or~~

(iii) is advertised, promoted, presented, described, or distributed in such a manner that conveys the impression that the material is or contains a visual depiction of a minor engaging in sexual conduct~~.~~; or

(iv) depicts an individual indistinguishable from an actual minor created by the use of generative artificial intelligence or other computer technology capable of processing and interpreting specific data inputs, commonly referred to as prompts, to create a visual depiction of the individual engaging in sexual conduct and is obscene.

For the purposes of this paragraph, an identifiable minor is a person who was a minor at the time the depiction was created or altered, whose image is used to create the visual depiction.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 13. **[617.2471] IMMUNITY.**

No civil or criminal liability for a violation of section 617.246 or 617.247 that involves child sexual abuse materials as defined solely in section 617.246, subdivision 1, paragraph (f), clause (2), item (iv), may be imposed on an interactive computer service, as defined in United States Code, title 47, section 230, or a provider of an information service or telecommunications service, as defined in United States Code, title 47, section 153, or an employee of the service or provider acting in the course and scope of employment:

(1) for actions taken to prevent, detect, protect against, report, or respond to the production, generation, incorporation, or synthesization of the work; or

(2) for content provided by another person.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to acts committed on or after that date.

Sec. 14. Minnesota Statutes 2024, section 628.26, is amended to read:

628.26 LIMITATIONS.

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.322, 609.342 to 609.345, and 609.3458 may be found or made at any time after the commission of the offense.

(f) Indictments or complaints for a violation of section 609.561 shall be found or made and filed in the proper court within ten years after the commission of the offense.

~~(f)~~ (g) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, paragraph (a), clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

~~(g)~~ (h) Indictments or complaints for violation of section 609.2335, 609.52, subdivision 2, paragraph (a), clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than $35,000, or for violation of section 609.527 where the offense involves eight or more direct victims or the total combined loss to the direct and indirect victims is more than $35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(h)~~ (i) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(i)~~ (j) Indictments or complaints for violation of sections ~~609.561 to~~ 609.562 and 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(j)~~ (k) Indictments or complaints for violation of section 609.746 shall be found or made and filed in the proper court within the later of three years after the commission of the offense or three years after the offense was reported to law enforcement authorities.

~~(k)~~ (l) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

~~(l)~~ (m) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

~~(m)~~ (n) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

~~(n)~~ (o) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date and to crimes committed before that date if the limitations period for the crime did not expire before August 1, 2025.

Sec. 15. Laws 2023, chapter 52, article 4, section 24, subdivision 7, as amended by Laws 2024, chapter 123, article 4, section 20, is amended to read:

Subd. 7. **Determination; order; resentencing.** (a) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being.

(b) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) was not a major participant in the underlying felony or did not act with extreme indifference to human life.

(c) If the court determines that the petitioner does not qualify for relief, the court shall issue an order denying the petition.

(d) If the court determines that the petitioner is entitled to relief, the court shall issue an order vacating the conviction for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), and:

(1) resentence the petitioner for the most serious remaining offense for which the petitioner was convicted;

(2) enter a conviction and impose a sentence for any other predicate felony arising out of the course of conduct that served as the factual basis for the conviction vacated by the court; or

(3) enter a conviction and impose a sentence for any lesser included offense as described in Minnesota Statutes, section 631.14.

(e) If the court intends to enter a conviction and impose a sentence for a lesser included offense, the court must hold a hearing to determine the appropriate offense.

(f) If the court proceeds under paragraph (d), clause (1) or (2), the new sentence announced by the court under this section must be for the most serious predicate felony unless the most serious remaining offense for which the petitioner was convicted is that offense or a more serious offense.

(g) If, pursuant to paragraph (d), the court either resentences a petitioner or imposes a sentence, the court shall also resentence the petitioner for any other offense if the sentence was announced by a district court of the same county, the sentence was either ordered to be served consecutively to the vacated conviction or the criminal history calculation for that sentence included the vacated sentence, and the changes made pursuant to paragraph (d) would have resulted in a different criminal history score being used at the time of sentencing.

(h) The court shall state in writing or on the record the reasons for its decision on the petition.

(i) If the court intends to resentence a petitioner or impose a sentence on a petitioner, the court must hold the hearing at a time that allows any victim an opportunity to submit a statement consistent with Minnesota Statutes, section 611A.038. The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing and the right to submit or make a statement. A sentence imposed under this subdivision

shall not increase the petitioner's total period of confinement or, if the petitioner was serving a stayed sentence, increase the period of supervision. The court may increase the period of confinement for a sentence that was ordered to be served consecutively to the vacated conviction based on a change in the appropriate criminal history score provided the court does not increase the petitioner's total period of confinement. A person resentenced under this paragraph is entitled to credit for time served in connection with the vacated offense.

(j) Relief granted under this section shall not be treated as an exoneration for purposes of the Incarceration and Exoneration Remedies Act.

(k) If a conviction is entered under this subdivision, the date of that conviction by operation of law is deemed to be the same as that of the original conviction for violating section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1).

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 16. **REVISOR INSTRUCTION.**

The revisor of statutes shall update headnote cross-references in Minnesota Statutes and Minnesota Rules to reflect the changes made in this article.

ARTICLE 5
PUBLIC SAFETY POLICY

Section 1. Minnesota Statutes 2024, section 13.03, subdivision 6, is amended to read:

Subd. 6. **Discoverability of not public data.** If a government entity opposes discovery of government data or release of data pursuant to court order on the grounds that the data are classified as not public, the party that seeks access to the data may bring before the appropriate presiding judicial officer, arbitrator, or administrative law judge an action to compel discovery or an action in the nature of an action to compel discovery.

The presiding officer shall first decide whether the data are discoverable or releasable pursuant to the rules of evidence and of criminal, civil, or administrative procedure appropriate to the action.

If the data are discoverable the presiding officer shall decide whether the benefit to the party seeking access to the data outweighs any harm to the confidentiality interests of the entity maintaining the data, or of any person who has provided the data or who is the subject of the data, or to the privacy interest of an individual identified in the data. In making the decision, the presiding officer shall consider whether notice to the subject of the data is warranted and, if warranted, what type of notice must be given. The presiding officer may fashion and issue any protective orders necessary to assure proper handling of the data by the parties. If the data are a ~~videotape~~ recording of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse, the presiding officer shall consider the provisions of section 611A.90, subdivision 2, paragraph (b). If the data are data subject to the protections under chapter 5B or section 13.045, the presiding officer shall consider the provisions of section 5B.11.

Sec. 2. Minnesota Statutes 2024, section 13.821, is amended to read:

13.821 ~~VIDEOTAPES~~ RECORDINGS OF CHILD ABUSE VICTIMS.

(a) Notwithstanding section 13.04, subdivision 3, an individual subject of data may not obtain a copy of a ~~videotape~~ recording in which a child victim or alleged victim is alleging, explaining, denying, or describing an act of physical or sexual abuse without a court order under section 13.03, subdivision 6, or 611A.90. The definitions of physical abuse and sexual abuse in section 260E.03, apply to this section, except that abuse is not limited to acts by a person responsible for the child's care or in a significant relationship with the child or position of authority.

(b) This section does not limit other rights of access to data by an individual under section 13.04, subdivision 3, other than the right to obtain a copy of the ~~videotape~~ recording, nor prohibit rights of access pursuant to discovery in a court proceeding.

Sec. 3. Minnesota Statutes 2024, section 121A.038, subdivision 7, is amended to read:

Subd. 7. **Violence prevention.** (a) A school district or charter school conducting an active shooter drill must provide students in middle school and high school at least one hour, or one standard class period, of violence prevention training annually.

(b) The violence prevention training must be evidence-based and may be delivered in-person, virtually, or digitally. Training must, at a minimum, teach students the following:

(1) how to identify observable warning signs and signals of an individual who may be at risk of harming oneself or others;

(2) the importance of taking threats seriously and seeking help; and

(3) the steps to report dangerous, violent, threatening, harmful, or potentially harmful activity, including providing information about the Department of Public Safety's statewide anonymous threat reporting system and any local threat reporting systems.

(c) By July 1, 2024, the commissioner of public safety and the commissioner of education must jointly develop a list of evidence-based trainings that a school district or charter school may use to fulfill the requirements of this section, including no-cost programming, if any. The agencies must:

(1) post the list publicly on the Minnesota School Safety Center's website; and

(2) update the list every two years.

(d) A school district or charter school must ensure that students have the opportunity to contribute to their school's safety and violence prevention planning, aligned with the recommendations for multihazard planning for schools, including but not limited to:

(1) student opportunities for leadership related to prevention and safety;

(2) encouragement and support to students in establishing clubs and programs focused on safety; and

(3) providing students with the opportunity to seek help from adults and to learn about prevention connected to topics including bullying, sexual harassment, sexual assault, and suicide.

Sec. 4. Minnesota Statutes 2024, section 121A.06, is amended to read:

121A.06 REPORTS OF DANGEROUS WEAPON INCIDENTS AND ACTIVE SHOOTER INCIDENTS IN SCHOOL ZONES.

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

(1) "active shooter incident" means an event involving an armed individual or individuals on campus or an armed assailant in the immediate vicinity of the school;

(2) "active shooter threat" means a real or perceived threat that an active shooter incident will occur;

~~(1)~~ (3) "dangerous weapon" has the meaning given ~~it~~ in section 609.02, subdivision 6;

~~(2)~~ (4) "school" has the meaning given ~~it~~ in section 120A.22, subdivision 4; and

~~(3)~~ (5) "school zone" has the meaning given ~~it~~ in section 152.01, subdivision 14a, clauses (1) and (3).

Subd. 2. **Dangerous weapons reports; content.** School districts must electronically report to the commissioner of education incidents involving the use or possession of a dangerous weapon in school zones. The ~~form~~ report must include the following information:

(1) a description of each incident, including a description of the dangerous weapon involved in the incident;

(2) where, at what time, and under what circumstances the incident occurred;

(3) information about the offender, other than the offender's name, including the offender's age; whether the offender was a student and, if so, where the offender attended school; and whether the offender was under school expulsion or suspension at the time of the incident;

(4) information about the victim other than the victim's name, if any, including the victim's age; whether the victim was a student and, if so, where the victim attended school; and if the victim was not a student, whether the victim was employed at the school;

(5) the cost of the incident to the school and to the victim; and

(6) the action taken by the school administration to respond to the incident.

The commissioner shall provide an electronic reporting format that allows school districts to provide aggregate data.

Subd. 2a. **Active shooter reports; content.** (a) A school district, charter school, or cooperative unit under section 123A.24, subdivision 2, that serves students must electronically file an after-action review report for active shooter incidents and active shooter threats to the Minnesota Fusion Center. The report must include the following information:

(1) a description of each incident or threat;

(2) how the active shooter threat was communicated, including whether the threat was communicated through social media or email;

(3) information about the individual, other than the individual's name, including the individual's age; whether the individual was a student and, if so, where the individual attended school; and whether the individual was under school expulsion or suspension at the time of the incident;

(4) the immediate cost of the incident to the school, if any;

(5) the action taken by the school administration to respond to the incident or threat, including any referrals to law enforcement or mental health professionals; and

(6) the law enforcement agency or agencies with jurisdiction over the school, even if the incident did not result in a referral to law enforcement.

(b) Reports required under paragraph (a) must be submitted on a form provided by the Minnesota Fusion Center and in a manner consistent with the reporting school's safety plan. The Minnesota Fusion Center must consult with the Minnesota School Safety Center in creation of the reporting form.

Subd. 3. **Reports; filing requirements.** By July 31 of each year, each public school shall report incidents involving the use or possession of a dangerous weapon in school zones to the commissioner. The reports must be submitted using the electronic reporting system developed by the commissioner under subdivision 2. The commissioner shall compile the information it receives from the schools and report it annually to the commissioner of public safety and the legislature.

Sec. 5. Minnesota Statutes 2024, section 144.296, is amended to read:

144.296 COPIES OF ~~VIDEOTAPES~~ RECORDINGS.

A provider may not release a copy of a ~~videotape~~ recording of a child victim or alleged victim of physical or sexual abuse without a court order under section 13.03, subdivision 6, or as provided in section 611A.90. This section does not limit the right of a patient to view or listen to the ~~videotape~~ recording.

Sec. 6. Minnesota Statutes 2024, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications, including a process for determining on intake whether a Jarvis Order is in place and ensuring it will be followed during the confinement or incarceration;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders and opioid overdose emergency procedures;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

(12) a policy regarding the use of telehealth;

(13) self-auditing of compliance with minimum standards;

(14) information sharing with medical personnel and when medical assessment must be facilitated;

(15) a code of conduct policy for facility staff and annual training;

(16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and

(17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. Notwithstanding chapter 13 or any other state law classifying or restricting access to data, the officers in charge of these facilities must furnish all data available to the facility that the commissioner deems necessary to conduct a review of any emergency or unusual occurrence at the facility. Failure to provide or grant access to relevant information or statistics necessary to fulfill inspection or emergency or unusual occurrence reviews, as requested by the commissioner, may be grounds for the commissioner to take action against a correctional facility's license under subdivision 1a, 1b, or 1c.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under chapter 401, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 7. Minnesota Statutes 2024, section 241.021, is amended by adding a subdivision to read:

Subd. 4f. **Provision of medications in correctional facilities.** (a) Correctional facilities licensed by the commissioner shall administer to confined and incarcerated persons the same medications prescribed to those individuals prior to their confinement or incarceration.

(b) Unless a confined or incarcerated person is subject to a Jarvis order that dictates otherwise, paragraph (a) does not apply when:

(1) a licensed health care professional determines, after consulting with the licensed health care professional who prescribed the medication, that the prescribed medication is not medically appropriate for the person based on the person's medical condition or status;

(2) a licensed health care professional determines a medication that is at least as effective as the current medication the person is prescribed is available to treat the condition and the licensed health care professional who prescribed the current medication approves the change in medications; or

(3) the person provides written notice to the licensed health care professional who is responsible for inmate health care at the correctional facility that the person no longer desires to take the medication.

(c) As used in this subdivision, "licensed health care professional" means a physician licensed under chapter 147, physician assistant licensed under chapter 147A, or advanced practice registered nurse as defined in section 148.171, subdivision 3.

Sec. 8. Minnesota Statutes 2024, section 246B.04, subdivision 2, is amended to read:

Subd. 2. **Ban on obscene material or ~~pornographic work~~ child sexual abuse material.** The executive board shall prohibit persons civilly committed as sexual psychopathic personalities or sexually dangerous persons under chapter 253D from having or receiving material that is obscene as defined under section 617.241, subdivision 1, material that depicts sexual conduct as defined under section 617.241, subdivision 1, or ~~pornographic work~~ child sexual abuse material as defined under section 617.246, subdivision 1, while receiving services in any secure treatment facilities operated by the Minnesota Sex Offender Program or any other facilities operated by the executive board.

Sec. 9. Minnesota Statutes 2024, section 299C.055, is amended to read:

299C.055 LEGISLATIVE REPORT ON FUSION CENTER ACTIVITIES.

(a) The superintendent must prepare an annual report for the public and the legislature on the Minnesota Fusion Center (MNFC) that includes general information about the MNFC; the types of activities it monitors; the scale of information it collects; the local, state, and federal agencies with which it shares information; and the quantifiable benefits it produces. None of the reporting requirements in this section supersede chapter 13 or any other state or federal law. The superintendent must report on activities for the preceding calendar year unless another time period is specified. The report must include the following information, to the extent allowed by other law:

(1) the MNFC's operating budget for the current biennium, number of staff, and staff duties;

(2) the number of publications generated and an overview of the type of information provided in the publications, including products such as law enforcement briefs, partner briefs, risk assessments, threat assessments, and operational reports;

(3) a summary of audit findings for the MNFC and what corrective actions were taken pursuant to audits;

(4) the number of data requests received by the MNFC and a general description of those requests;

(5) the types of surveillance and data analysis technologies utilized by the MNFC, such as artificial intelligence or social media analysis tools;

(6) a description of the commercial and governmental databases utilized by the MNFC to the extent permitted by law;

(7) the number of suspicious activity reports (SARs) received and processed by the MNFC;

(8) the number of SARs received and processed by the MNFC that were converted into Bureau of Criminal Apprehension case files, that were referred to the Federal Bureau of Investigation, or that were referred to local law enforcement agencies;

(9) the number of SARs received and processed by the MNFC that involve an individual on the Terrorist Screening Center watchlist;

(10) the number of requests for information (RFIs) that the MNFC received from law enforcement agencies and the number of responses to federal requests for RFIs;

(11) the names of the federal agencies the MNFC received data from or shared data with;

(12) the names of the agencies that submitted SARs;

(13) a summary description of the MNFC's activities with the Joint Terrorism Task Force; ~~and~~

(14) the number of investigations aided by the MNFC's use of SARs and RFIs~~.~~;

(15) the number of tips received through the Department of Public Safety's anonymous threat reporting system, including the See It, Say It, Send It application, and the number of those tips that the MNFC processed; and

(16) the number of active shooter incident reports received from school districts pursuant to section 121A.06, subdivision 2a, paragraph (b); a summary of the reports; and the number of reports that were converted into Bureau of Criminal Apprehension case files, that were referred to the Federal Bureau of Investigation, or that were referred to local law enforcement agencies.

(b) The report shall be provided to the chairs and ranking minority members of the committees of the house of representatives and senate with jurisdiction over data practices and public safety issues, and shall be posted on the MNFC website by February 15 each year beginning on February 15, 2024.

Sec. 10. Minnesota Statutes 2024, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in sections 299C.52 to 299C.565, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent.

(b) "DNA" means deoxyribonucleic acid from a human biological specimen.

(c) "Endangered" means that a law enforcement official has received sufficient evidence that the missing person is at risk of physical injury or death. The following circumstances indicate that a missing person is at risk of physical injury or death:

(1) the person is missing as a result of a confirmed abduction or under circumstances that indicate that the person's disappearance was not voluntary;

(2) the person is missing under known dangerous circumstances;

(3) the person is missing more than 30 days;

(4) the person is under the age of 21 and at least one other factor in this paragraph is applicable;

(5) there is evidence the person is in need of medical attention or prescription medication such that it will have a serious adverse effect on the person's health if the person does not receive the needed care or medication;

(6) the person does not have a pattern of running away or disappearing;

(7) the person is mentally impaired;

(8) the person has been diagnosed with dementia, a traumatic brain injury, Alzheimer's disease, or other cognitive impairments;

(9) the person has been diagnosed with autism;

(10) there is evidence that the person may have been abducted by a noncustodial parent;

~~(9)~~ (11) the person has been the subject of past threats or acts of violence;

~~(10)~~ (12) there is evidence the person is lost in the wilderness, backcountry, or outdoors where survival is precarious and immediate and effective investigation and search and rescue efforts are critical; or

~~(11)~~ (13) any other factor that the law enforcement agency deems to indicate that the person may be at risk of physical injury or death, including a determination by another law enforcement agency that the person is missing and endangered.

(d) "Missing" means the status of a person after a law enforcement agency that has received a report of a missing person has conducted a preliminary investigation and determined that the person cannot be located.

(e) "NCIC" means National Crime Information Center.

Sec. 11. Minnesota Statutes 2024, section 299F.47, subdivision 2, is amended to read:

Subd. 2. **Charter school inspections; fees.** The state fire marshal shall charge charter schools ~~$100~~ $0.014 per square foot for each school building inspected. ~~This rate~~ These rates shall include two follow-up inspections or on-site consultations. If additional follow-up inspections or consultations are needed, the state fire marshal shall charge ~~$50~~ $0.005 per square foot for each additional follow-up inspection to each applicable building in which a follow-up inspection is needed.

Sec. 12. Minnesota Statutes 2024, section 388.23, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of:

(1) any records of:

(i) telephone companies, cellular phone companies, paging companies, and subscribers of private computer networks including Internet service providers or computer bulletin board systems~~,~~;

(ii) electric companies, gas companies, and water utilities~~,~~;

(iii) chemical suppliers~~,~~;

(iv) hotels and motels~~,~~;

(v) pawn shops~~,~~;

(vi) airlines, buses, taxis, and other entities engaged in the business of transporting people~~,~~; and

(vii) freight companies, warehousing companies, self-service storage facilities, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery~~, and~~;

(2) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies~~.~~;

(3) insurance records relating to the monetary payment or settlement of claims~~.~~;

(4) the banking, credit card, and financial records of a subject of an identity theft investigation or a vulnerable adult, whether held in the name of the vulnerable adult or a third party, including but not limited to safe deposit, loan and account applications and agreements, signature cards, statements, checks, transfers, account authorizations, safe deposit access records and documentation of fraud~~, and~~;

(5) wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs~~.~~; and

(6) any of the following records of an employer or business entity who is the subject of or has information related to a wage theft investigation:

(i) accounting and financial records such as books, registers, payrolls, banking records, credit card records, securities records, and records of money transfers;

(ii) records required to be kept pursuant to section 177.30, paragraph (a); and

(iii) other records that in any way relate to wages or other income paid, hours worked, and other conditions of employment of any employee or of work performed by persons identified as independent contractors, and records of any payments to contractors, and records of workers' compensation insurance.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation. Administrative subpoenas may only be issued in wage theft, welfare fraud, and identity theft cases if there is probable cause to believe a crime has been committed.

(c) This ~~provision~~ subdivision applies only to the records of business entities and does not extend to private individuals or their dwellings.

(d) As used in this subdivision, "business entity" has the meaning given in section 308B.005.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 13. Minnesota Statutes 2024, section 595.02, subdivision 1, is amended to read:

Subdivision 1. **Competency of witnesses.** Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist, consulting psychologist, or licensed social worker engaged in a psychological or social assessment or treatment of an individual at the individual's request shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity. Nothing in this clause exempts licensed social workers from compliance with the provisions of section 626.557 and chapter 260E.

(h) An interpreter for a person disabled in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person disabled in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be allowed to disclose any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of section 626.557 and chapter 260E.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A domestic abuse advocate ~~may~~ shall not, without the consent of the victim, be ~~compelled~~ allowed to disclose any opinion or information received from or about the victim ~~without the consent of the victim unless ordered by the court~~ that the advocate acquired in attending to the victim in a professional capacity. ~~In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the relationship between the victim and domestic abuse advocate, and the services if disclosure occurs.~~ Nothing in this paragraph (1) exempts domestic abuse advocates from compliance with the provisions of section 626.557 and chapter 260E, or (2) modifies a prosecutor's obligation to disclose material and information to the defense when the information is in the possession or control of members of the prosecution staff and of any others who have participated in the investigation or evaluation of the case and who either regularly report, or with reference to the particular case have reported, to the prosecutor's office.

For the purposes of this section, "domestic abuse advocate" means an employee or supervised volunteer from a community-based ~~battered women's shelter and~~ domestic abuse program eligible to receive grants under section 611A.32; that provides information, advocacy, crisis intervention, emergency shelter, or support to victims of domestic abuse and who is not employed by or under the direct supervision of a law enforcement agency, a prosecutor's office, or by a city, county, or state agency.

(m) A person cannot be examined as to any communication or document, including work notes, made or used in the course of or because of mediation pursuant to an agreement to mediate or a collaborative law process pursuant to an agreement to participate in collaborative law. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement or a stipulated agreement resulting from the collaborative law process set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation or collaborative law by the common law.

(n) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(o) A communication assistant for a telecommunications relay system for persons who have communication disabilities shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.

Sec. 14. Minnesota Statutes 2024, section 609.527, subdivision 3, is amended to read:

Subd. 3. **Penalties.** A person who violates subdivision 2 may be sentenced as follows:

(1) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is $250 or less, the person may be sentenced as provided in section 609.52, subdivision 3, clause (5);

(2) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is more than $250 but not more than $500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (4);

(3) if the offense involves two or three direct victims or the total, combined loss to the direct and indirect victims is more than $500 but not more than $2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (3);

(4) if the offense involves more than three but not more than seven direct victims, or if the total combined loss to the direct and indirect victims is more than $2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (2);

(5) if the offense involves eight or more direct victims, or if the total, combined loss to the direct and indirect victims is more than $35,000, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1); and

(6) if the offense is related to possession or distribution of ~~pornographic work~~ child sexual abuse material in violation of section 617.246 or 617.247, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1).

Sec. 15. Minnesota Statutes 2024, section 611.24, subdivision 4, is amended to read:

Subd. 4. **Appeal by prosecuting attorney; attorney fees.** (a) When a prosecuting attorney appeals to the court of appeals, in any criminal case, from any pretrial order of the district court, reasonable attorney fees and costs incurred shall be allowed to the defendant on the appeal which shall be paid by the governmental unit responsible for the prosecution involved in accordance with paragraph (b).

(b) On or before January 15 of each year, the chief judge of the judicial district, after consultation with city and county attorneys, the chief public defender, and members of the private bar in the district, shall establish a reimbursement rate for attorney fees and costs associated with representation of a defendant on appeal. The compensation to be paid to an attorney for such service rendered to a defendant under this subdivision may not exceed $10,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the chief judge of the district as necessary to provide fair compensation for services of an unusual character or duration.

Sec. 16. Minnesota Statutes 2024, section 611A.90, is amended to read:

611A.90 RELEASE OF ~~VIDEOTAPES~~ RECORDINGS OF CHILD ABUSE VICTIMS.

Subdivision 1. **Definition.** For purposes of this section, "physical abuse" and "sexual abuse" have the meanings given in section 260E.03, except that abuse is not limited to acts by a person responsible for the child's care or in a significant relationship with the child or position of authority.

Subd. 2. **Court order required.** (a) A custodian of a ~~videotape~~ recording of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse as part of an investigation or evaluation of the abuse may not release a copy of the ~~videotape~~ recording without a court order, notwithstanding that the subject has consented to the release of the ~~videotape~~ recording or that the release is authorized under law.

(b) The court order may govern the purposes for which the ~~videotape~~ recording may be used, reproduction, release to other persons, retention and return of copies, and other requirements reasonably necessary for protection of the privacy and best interests of the child.

Subd. 3. **Petition.** An individual subject of data, as defined in section 13.02, or a patient, as defined in sections 144.291 to 144.298, who is seeking a copy of a ~~videotape~~ recording governed by this section may petition the district court in the county where the alleged abuse took place or where the custodian of the ~~videotape~~ recording resides for an order releasing a copy of the ~~videotape~~ recording under subdivision 2. Nothing in this section establishes a right to obtain access to a ~~videotape~~ recording by any other person nor limits a right of a person to obtain access if access is otherwise authorized by law or pursuant to discovery in a court proceeding.

Sec. 17. Minnesota Statutes 2024, section 617.246, subdivision 2, is amended to read:

Subd. 2. **Use of minor.** (a) It is unlawful for a person to promote, employ, use or permit a minor to engage in or assist others to engage minors in posing or modeling alone or with others in any sexual performance or ~~pornographic work~~ child sexual abuse material if the person knows or has reason to know that the conduct intended is a sexual performance or ~~a pornographic work~~ child sexual abuse material.

Any person who violates this paragraph is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Sec. 18. Minnesota Statutes 2024, section 617.246, subdivision 3, is amended to read:

Subd. 3. **Operation or ownership of business.** (a) A person who owns or operates a business in which ~~a pornographic work~~ child sexual abuse material, as defined in this section, is disseminated to an adult or a minor or is reproduced, and who knows the content and character of the ~~pornographic work~~ child sexual abuse material disseminated or reproduced, is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than $20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Sec. 19. Minnesota Statutes 2024, section 617.246, subdivision 4, is amended to read:

Subd. 4. **Dissemination.** (a) A person who, knowing or with reason to know its content and character, disseminates for profit to an adult or a minor ~~a pornographic work~~ child sexual abuse material, as defined in this section, is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than $20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Sec. 20. Minnesota Statutes 2024, section 617.246, subdivision 6, is amended to read:

Subd. 6. **Affirmative defense.** It shall be an affirmative defense to a charge of violating this section that the sexual performance or ~~pornographic work~~ child sexual abuse material was produced using only persons who were 18 years or older.

Sec. 21. Minnesota Statutes 2024, section 617.247, is amended to read:

617.247 POSSESSION OF ~~PORNOGRAPHIC WORK INVOLVING MINORS~~ CHILD SEXUAL ABUSE MATERIAL.

Subdivision 1. **Policy; purpose.** It is the policy of the legislature in enacting this section to protect minors from the physical and psychological damage caused by their being used in ~~pornographic work~~ child sexual abuse material depicting sexual conduct which involves minors. It is therefore the intent of the legislature to penalize possession of ~~pornographic work~~ child sexual abuse material depicting sexual conduct which involve minors or appears to involve minors in order to protect the identity of minors who are victimized by involvement in the ~~pornographic work~~ child sexual abuse material, and to protect minors from future involvement in ~~pornographic work~~ child sexual abuse material depicting sexual conduct.

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

(a) ~~"Pornographic work"~~ "Child sexual abuse material" has the meaning given ~~to it~~ in section 617.246.

(b) "Sexual conduct" has the meaning given ~~to it~~ in section 617.246.

Subd. 3. **Dissemination prohibited.** (a) A person who disseminates ~~pornographic work~~ child sexual abuse material to an adult or a minor, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than $10,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $20,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 4. **Possession prohibited.** (a) A person who possesses ~~a pornographic work~~ child sexual abuse material or a computer disk or computer or other electronic, magnetic, or optical storage system or a storage system of any other type, containing ~~a pornographic work~~ child sexual abuse material, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $5,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $10,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 5. **Exception.** This section does not apply to the performance of official duties by peace officers, court personnel, or attorneys, nor to licensed physicians, psychologists, or social workers or persons acting at the direction of a licensed physician, psychologist, or social worker in the course of a bona fide treatment or professional education program.

Subd. 6. **Consent.** Consent to sexual performance by a minor or the minor's parent, guardian, or custodian is not a defense to a charge of violation of this section.

Subd. 7. **Second offense.** If a person is convicted of a second or subsequent violation of this section within 15 years of the prior conviction, the court shall order a mental examination of the person. The examiner shall report to the court whether treatment of the person is necessary.

Subd. 8. **Affirmative defense.** It shall be an affirmative defense to a charge of violating this section that the ~~pornographic work~~ child sexual abuse material was produced using only persons who were 18 years or older.

Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for 15 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

Sec. 22. Minnesota Statutes 2024, section 624.714, subdivision 7a, is amended to read:

Subd. 7a. **Change of address or legal name; loss or destruction of permit.** (a) Within 30 days after changing the permit holder's legal name or permanent address, or within 30 days of having lost or destroyed the permit card, the permit holder must notify the issuing sheriff of the change, loss, or destruction. Failure to provide notification as required by this subdivision is a petty misdemeanor. The fine for a first offense must not exceed $25. Notwithstanding section 609.531, a firearm carried in violation of this paragraph is not subject to forfeiture.

(b) After notice is given under paragraph (a), a permit holder may obtain a replacement permit card by paying $10 to the sheriff. The request for a replacement permit card must be made on an official, standardized application adopted for this purpose under section 624.7151, and, except in the case of a legal name or an address change, must include a notarized statement that the permit card has been lost or destroyed.

Sec. 23. Minnesota Statutes 2024, section 626.19, subdivision 3, is amended to read:

Subd. 3. **Authorized use.** A law enforcement agency may use a UAV:

(1) during or in the aftermath of an emergency situation that involves the risk of death or bodily harm to a person;

(2) to document evidence that is at imminent risk of destruction;

~~(2)~~ (3) over a public event where there is a heightened risk to the safety of participants or bystanders;

~~(3)~~ (4) to counter the risk of a terrorist attack by a specific individual or organization if the agency determines that credible intelligence indicates a risk;

~~(4)~~ (5) to prevent the loss of life and property in natural or man-made disasters and to facilitate operational planning, rescue, and recovery operations in the aftermath of these disasters;

~~(5)~~ (6) to conduct a threat assessment in anticipation of a specific event;

~~(6)~~ (7) to collect information from a public area if there is reasonable suspicion of criminal activity;

~~(7)~~ (8) to collect information for crash reconstruction purposes after a serious or deadly collision occurring on a public road;

~~(8)~~ (9) over a private area with the written consent of the occupant or a public area, for officer training or public relations purposes; ~~and~~

~~(9)~~ (10) for purposes unrelated to law enforcement at the request of a government entity provided that the government entity makes the request in writing to the law enforcement agency and specifies the reason for the request and proposed period of use; and

(11) to facilitate the active search for a missing person.

Sec. 24. Minnesota Statutes 2024, section 626A.35, subdivision 2b, is amended to read:

Subd. 2b. **Exception; stolen motor vehicles.** (a) The prohibition under subdivision 1 does not apply to the use of a mobile tracking device on a stolen motor vehicle when:

(1) the consent of the owner of the vehicle has been obtained; or

(2) the owner of the motor vehicle has reported to law enforcement that the vehicle is stolen~~, and the vehicle is occupied when the tracking device is installed~~ and the stolen vehicle is not on private property.

(b) Within ~~24~~ 12 hours of a tracking device being attached to a vehicle pursuant to the authority granted in paragraph (a), clause (2), an officer employed by the agency that attached the tracking device to the vehicle must remove the device, disable the device, or obtain a search warrant granting approval to continue to use the device in the investigation.

(c) A peace officer employed by the agency that attached a tracking device to a stolen motor vehicle must remove the tracking device if the vehicle is recovered and returned to the owner.

(d) Any tracking device evidence collected after the motor vehicle is returned to the owner is inadmissible.

(e) When a peace officer attaches a tracking device to a stolen vehicle pursuant to paragraph (a), clause (2), the peace officer must prepare a report that includes the evidence relied upon to establish the vehicle was reported stolen, the date and time the device was attached to the vehicle, the method used to attach the device to the vehicle, the duration for which the tracking device was attached to the vehicle, and an explanation of how the device impacted the outcome of the investigation. Reports created under this paragraph must be retained as part of the criminal investigation file.

(f) By August 1, 2024, and each year thereafter, the chief law enforcement officer of an agency that obtains a search warrant under paragraph (b), must provide notice to the superintendent of the Bureau of Criminal Apprehension of the number of search warrants the agency obtained under this subdivision in the preceding 12 months. The superintendent must provide a summary of the data received pursuant to this paragraph in the bureau's biennial report to the legislature required under section 299C.18.

Sec. 25. Minnesota Statutes 2024, section 626A.35, is amended by adding a subdivision to read:

Subd. 2c. **Exception; fleeing motor vehicles.** (a) The prohibition under subdivision 1 does not apply to the use of a mobile tracking device on a fleeing motor vehicle.

(b) If a mobile tracking device is attached to a vehicle pursuant to the authority granted in paragraph (a) and the vehicle is not in the custody of law enforcement within 12 hours of the mobile tracking device being attached to the vehicle, an officer employed by the agency that attached the tracking device to the vehicle must remove the device, disable the device, or obtain a search warrant granting approval to continue to use the device in the investigation.

(c) A peace officer employed by the agency that attached a tracking device to a fleeing motor vehicle must remove the tracking device if the vehicle is recovered, determined to be stolen, and returned to the owner. Any tracking device evidence collected after the motor vehicle is returned to the owner is inadmissible.

(d) When a peace officer attaches a tracking device to a fleeing vehicle pursuant to paragraph (a), the peace officer must prepare a report that includes the evidence relied upon to establish the vehicle was fleeing, the date and time the device was attached to the vehicle, the method used to attach the device to the vehicle, the duration for which the tracking device was attached to the vehicle, and an explanation of how the device impacted the outcome of the investigation. Reports created under this paragraph must be retained as part of the criminal investigation file.

(e) By August 1, 2026, and each year thereafter, the chief law enforcement officer of an agency that obtains a search warrant under paragraph (b) must provide notice to the superintendent of the Bureau of Criminal Apprehension of the number of search warrants the agency obtained under this subdivision in the preceding 12 months. The superintendent must provide a summary of the data received pursuant to this paragraph in the bureau's biennial report to the legislature required under section 299C.18.

(f) For purposes of this subdivision, "flee" has the meaning given in section 609.487, subdivision 1.

Sec. 26. Minnesota Statutes 2024, section 634.35, is amended to read:

634.35 ~~VIDEOTAPES~~ RECORDINGS OF CHILD VICTIMS; CONDITIONS OF DISCLOSURE.

(a) If a ~~videotaped~~ recorded interview of a child victim of physical or sexual abuse is disclosed by a prosecuting attorney to a defendant or the defendant's attorney, the following applies:

(1) no more than two copies of the ~~tape~~ recording or any portion of the ~~tape~~ recording may be made by the defendant or the defendant's attorney, investigator, expert, or any other representative or agent of the defendant;

(2) the ~~tapes~~ recordings may not be used for any purpose other than to prepare for the defense in the criminal action against the defendant;

(3) the ~~tapes~~ recordings may not be publicly exhibited, shown, displayed, used for educational, research, or demonstrative purposes, or used in any other fashion, except in judicial proceedings in the criminal action against the defendant;

(4) the ~~tapes~~ recordings may be viewed only by the defendant, the defendant's attorney, and the attorney's employees, investigators, and experts;

(5) no transcript of the ~~tapes~~ recordings, nor the substance of any portion of the ~~tapes~~ recordings, may be divulged to any person not authorized to view or listen to the ~~tapes~~ recordings;

(6) no person may be granted access to the ~~tapes~~ recordings, any transcription of the ~~tapes~~ recordings, or the substance of any portion of the ~~tapes~~ recordings unless the person has first signed a written agreement that the person is aware of this statute and acknowledges that the person is subject to the court's contempt powers for any violation of it; and

(7) upon final disposition of the criminal case against the defendant, the ~~tapes~~ recordings and any transcripts of the ~~tapes~~ recordings must be returned to the prosecuting attorney.

(b) The court may hold a person who violates this section in contempt.

Sec. 27. **REVISOR INSTRUCTION.**

The revisor of statutes shall update headnote cross-references in Minnesota Statutes and Minnesota Rules to reflect the changes made in this article.

Sec. 28. **REPEALER.**

Minnesota Statutes 2024, sections 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; and 325F.07, are repealed.

ARTICLE 6
CRIME VICTIMS PROVISIONS

Section 1. Minnesota Statutes 2024, section 609.101, subdivision 2, is amended to read:

Subd. 2. **Minimum fines.** Notwithstanding any other law, when a court sentences a person convicted of violating section 609.221, 609.222, 609.223, 609.2231, 609.224, 609.2242, 609.267, 609.2671, 609.2672, 609.342, 609.343, 609.344, or 609.345, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of management and budget to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of management and budget to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, ~~battered women~~ domestic abuse victim shelters and nonshelter programs, ~~and~~ sexual assault programs, and children's advocacy centers as defined in section 260E.02, subdivision 5.

Sec. 2. Minnesota Statutes 2024, section 611A.02, is amended to read:

611A.02 NOTIFICATION OF VICTIM SERVICES AND VICTIMS' RIGHTS.

Subd. 2. **Victims' rights.** (a) The Office of Justice Programs in the Department of Public Safety shall update the ~~two~~ model notices of the rights of crime victims required to be distributed under this section and section 629.341.

(b) The initial notice of the rights of crime victims must be distributed by a peace officer to each victim, as defined in section 611A.01, at the time of initial contact with the victim at the scene or when the victim makes a report. The notice, which may be distributed as a document or electronically, must inform a victim of:

(1) the victim's right to apply ~~for reparations~~ to the Minnesota Crime Victims Reimbursement Program to cover losses, not including property losses, resulting from a violent crime ~~and the telephone number to call to request an application~~ and information on how to apply;

(2) the victim's right to request that the law enforcement agency withhold public access to data revealing the victim's identity under section 13.82, subdivision 17, paragraph (d);

(3) the additional rights of domestic abuse victims as described in section 629.341;

(4) information on statewide crime victim help lines, the state address confidentiality program, and the nearest crime victim assistance program or resource; and

(5) the ~~victim's rights, if an offender is charged, to be informed of and participate in the prosecution process, including the right to request restitution; and~~ right to be notified if an offender is charged, to participate in the prosecution process, and to request restitution upon conviction.

~~(6)~~ (c) A supplemental notice must be distributed by law enforcement agencies in homicide cases~~,~~ and must include resources and information specific to homicide victims and information on rights and procedures available under sections 524.2-803, 524.3-614, and 524.3-615.

~~(c)~~ (d) A supplemental notice of the rights of crime victims must be distributed by the city or county attorney's office to each victim~~,~~ within a reasonable time after the offender is charged or petitioned. This notice must inform a victim of all the rights of crime victims under this chapter.

Subd. 3. **Notice of rights of victims in juvenile court.** ~~(a) The Office of Justice Programs in the Department of Public Safety shall update the notice of the rights of victims in juvenile court that explains~~ A supplemental notice shall be distributed by the prosecutor's office to each victim of an offense committed by a juvenile within a reasonable time after the petition is filed. This notice must notify the victim of:

(1) the rights of victims in the juvenile court;

(2) when a juvenile matter is public;

(3) the procedures to be followed in juvenile court proceedings; ~~and~~

(4) the right to attend certain juvenile court proceedings;

(5) the information related to the juvenile case that is available to victims; and

~~(4)~~ (6) other relevant matters.

~~(b) The juvenile court shall distribute a copy of the notice to each victim of juvenile crime who attends a juvenile court proceeding, along with a notice of services for victims available in that judicial district.~~

Sec. 3. Minnesota Statutes 2024, section 611A.0315, is amended to read:

611A.0315 VICTIM NOTIFICATION; DOMESTIC ASSAULT; CRIMINAL SEXUAL CONDUCT; HARASSMENT; STALKING.

Subdivision 1. **Notice of decision not to prosecute.** (a) A prosecutor shall make every reasonable effort to notify a victim of domestic assault~~,~~; a criminal sexual conduct offense~~, or~~; harassment or stalking; or a violation of an order for protection, domestic abuse no contact order, or harassment restraining order that the prosecutor has decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by email or mail. If a suspect is still in custody, ~~the~~ a telephone or email notification attempt shall be made before the suspect is released from custody.

(b) Whenever a prosecutor dismisses criminal charges against a person accused of domestic assault, a criminal sexual conduct offense, ~~or~~ harassment or stalking, a violation of an order for protection, or a violation of a harassment restraining order, a record shall be made of the specific reasons for the dismissal. If the dismissal is due to the unavailability of the witness, the prosecutor shall indicate the specific reason that the witness is unavailable.

(c) Whenever a prosecutor notifies a victim of domestic assault, criminal sexual conduct, or harassment or stalking under this section, the prosecutor shall also inform the victim of the method and benefits of seeking an order for protection under section 518B.01 or a restraining order under section 609.748 and that the victim may seek an order without paying a fee.

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

(a) "Assault" has the meaning given it in section 609.02, subdivision 10.

(b) "Domestic assault" means an assault committed by the actor against a family or household member.

(c) "Family or household member" has the meaning given it in section 518B.01, subdivision 2.

(d) "Harassment" or "stalking" means a violation of section 609.749.

(e) "Criminal sexual conduct offense" means a violation of sections 609.342 to 609.3453.

(f) "Violation of an order for protection" has the meaning given in section 518B.01, subdivision 14.

(g) "Violation of a harassment restraining order" has the meaning given in section 609.748, subdivision 6.

Sec. 4. Minnesota Statutes 2024, section 611A.06, is amended by adding a subdivision to read:

Subd. 3b. **Notice of submission of apology letter.** (a) The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender has submitted a letter of apology. Notices shall only be provided to victims who have submitted a written request for notification to the head of the county correctional facility in which the offender is confined, or if committed to the Department of Corrections, submitted a written request for the notice to the commissioner of corrections or an electronic request through the Department of Corrections electronic victim notification system. The good faith effort to notify the victim must occur within 90 days of the filing of the apology letter.

(b) Upon request, the commissioner of corrections or other custodial authority shall notify the Board of Pardons, the Clemency Review Commission, or a court that the offender submitted a letter of apology.

(c) The content of a letter of apology submitted by an offender is private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9, except that the letter may be provided to the intended recipient upon request.

Sec. 5. Minnesota Statutes 2024, section 629.341, subdivision 3, is amended to read:

Subd. 3. **Notice of rights.** The peace officer shall ~~tell~~ orally notify the victim ~~whether a~~ about shelter or other services ~~are~~ available in the community and give the victim immediate written notice of the legal ~~rights and~~ remedies and resources available. The written notice must include ~~furnishing the victim a copy of~~ the following statement:

~~"IF YOU ARE THE VICTIM OF DOMESTIC VIOLENCE, you can ask the city or county attorney to file a criminal complaint. You also have the right to go to court and file a petition requesting an order for protection from domestic abuse. The order could include the following:~~

~~(1) an order restraining the abuser from further acts of abuse;~~

~~(2) an order directing the abuser to leave your household;~~

~~(3) an order preventing the abuser from entering your residence, school, business, or place of employment;~~

~~(4) an order awarding you or the other parent custody of or parenting time with your minor child or children; or~~

~~(5) an order directing the abuser to pay support to you and the minor children if the abuser has a legal obligation to do so."~~

"IF YOU ARE A VICTIM OF DOMESTIC VIOLENCE, you can file a petition with the court for an order for protection and ask that the person responsible for the domestic violence:

(1) Be restrained from further acts of abuse;

(2) Leave your household;

(3) Stay away from your residence, school, business, or place of employment; and

(4) Pay temporary support to you and for the minor child if the person is legally obligated to do so.

In your petition, you can request a custody and parenting time order for a child in common with the person."

The notice must include the ~~resource listing, including telephone number, for the area program that provides~~ statewide domestic abuse help line and contact information for area organizations providing services to victims of domestic abuse as ~~shelter,~~ designated by the Office of Justice Programs in the Department of Public Safety.

Sec. 6. **USE OF EXISTING SUPPLY.**

A law enforcement agency, city attorney's office, or county attorney's office may exhaust existing notices before producing materials with the modifications required under Minnesota Statutes, sections 611A.02, subdivision 2, and 629.341, subdivision 3.

ARTICLE 7
CORRECTIONAL PROVISIONS

Section 1. **[241.76] OPIATE ANTAGONISTS.**

(a) The commissioner must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each state correctional facility to be administered in compliance with section 151.37, subdivision 12.

(b) The commissioner must store an ample number of doses of nasal opiate antagonists throughout each facility so that staff can rapidly respond to opioid overdoses.

(c) The commissioner, in consultation with the commissioner of health, shall provide training to employees of the department on recognizing the symptoms of an opiate overdose and how to administer nasal opiate antagonists.

Sec. 2. Minnesota Statutes 2024, section 241.80, is amended to read:

241.80 AMERICAN INDIAN CULTURAL PROGRAM.

Subdivision 1. **Authority.** The commissioner of corrections shall develop a policy to provide the cultural programming services listed in subdivision 2 to American Indian ~~inmates~~ incarcerated individuals of all juvenile and adult state correctional facilities and community-based correctional programs. The commissioner may, within the limits of available money, contract with appropriate American Indian private, nonprofit organizations to provide the cultural programming services.

Subd. 2. **Cultural programming services.** The policy shall include, but need not be limited to, providing, within the limits of available money, spiritual and cultural programming services having the following purposes:

(1) the ~~teaching of good work habits and the~~ development of ~~motivation through work~~ education and training needed for postincarceration self-sufficiency;

(2) the development of ~~cultural pride to improve~~ strengthened American Indian ~~self-image~~ identity;

~~(3) the development of an understanding of and an adjustment to the cultural differences between American Indians and other ethnic groups;~~

(3) improved understanding of American Indian culture, traditions, and spiritual practices for Department of Corrections staff;

(4) the development of ~~attitudes of mutual trust, respect, and understanding among American Indian family members~~ partnerships with Tribal Nations to address the unique needs of American Indian incarcerated individuals and promote approaches to rehabilitation specific to this population;

(5) ~~the fostering of~~ increased availability of ~~medicine men and~~ American Indian spiritual leaders to teach American Indian ~~inmates~~ incarcerated individuals about American Indian history~~,~~ and cultural ~~sensitivity, and religion~~ and spiritual practices;

(6) the involvement of American Indian ~~inmates~~ incarcerated individuals in those aspects of the correctional system that will aid in their rehabilitation; and

(7) the provision of services to American Indian ~~inmates~~ incarcerated individuals that will facilitate their reentry into the community.

Sec. 3. Minnesota Statutes 2024, section 244.18, subdivision 1, is amended to read:

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

(b) "Correctional fees":

(1) effective August 1, ~~2027~~ 2029, means fees charged or contracted for by a probation agency or the commissioner of corrections for court-ordered or community-provided correctional services, including but not limited to drug testing, electronic home monitoring, treatment, and programming; and

(2) effective August 1, 2023, through July 31, ~~2027~~ 2029, include fees for the following correctional services:

(i) community service work placement and supervision;

(ii) restitution collection;

(iii) supervision;

(iv) court-ordered investigations;

(v) any other court-ordered service;

(vi) postprison supervision or other form of release; and

(vii) supervision or other probation-related services provided by a probation agency or by the Department of Corrections for individuals supervised by the commissioner of corrections.

(c) "Probation" has the meaning given in section 609.02, subdivision 15.

(d) "Probation agency" means a probation agency, including a Tribal Nation, organized under section 244.19 or chapter 401.

Sec. 4. Minnesota Statutes 2024, section 244.18, subdivision 7, is amended to read:

Subd. 7. **Annual report.** (a) By January 15 each year, the commissioner must submit an annual report on implementing the commissioner's duties under this section to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over criminal justice funding and policy. At a minimum, the report must include information on the types of correctional services for which fees were imposed, the aggregate amount of fees imposed, and the amount of fees collected.

(b) This subdivision expires August 1, ~~2027~~ 2029.

Sec. 5. Minnesota Statutes 2024, section 244.18, subdivision 9, is amended to read:

Subd. 9. **Sunsetting supervision fees; sunset plan.** (a) By August 1, 2025, each probation agency must provide to the commissioner a written plan for phasing out supervision fees for individuals under the agency's supervision and control, and the commissioner must review and approve the plan by August 1, ~~2027~~ 2029. By August 1, ~~2027~~ 2029, the commissioner must develop a written plan for phasing out supervision fees for individuals under the commissioner's supervision and control.

(b) A copy of an approved plan must be provided to all individuals under the supervision and control of the agency or the commissioner and in a language and manner that each individual can understand.

(c) Supervision fees must not be increased from August 1, 2023, through July 31, ~~2027~~ 2029.

(d) This subdivision expires August 1, ~~2027~~ 2029.

Sec. 6. Minnesota Statutes 2024, section 244.19, subdivision 1c, is amended to read:

Subd. 1c. **Community supervision funding; eligibility for funding formula.** (a) A CPO jurisdiction:

(1) must collaborate with the commissioner to develop a comprehensive plan under section 401.06; and

(2) is subject to all applicable eligibility provisions under chapter 401 necessary to receive a subsidy under section 401.10.

(b) A non-CPO jurisdiction is eligible to receive a subsidy under section 401.10 but is not a Community Corrections Act jurisdiction under chapter 401~~, and~~. Except as provided under section 401.115, the commissioner~~:~~

~~(1)~~ is appropriated the jurisdiction's share of funding under section 401.10 for providing probation services~~; and~~.

~~(2) may seek reimbursement from the jurisdiction according to subdivision 5a.~~

Sec. 7. Minnesota Statutes 2024, section 244.19, subdivision 1d, is amended to read:

Subd. 1d. **Commissioner of corrections; reimbursing CPO ~~and non-CPO jurisdictions~~ jurisdiction.** As calculated by the community supervision formula under section 401.10, the commissioner must~~:~~

~~(1)~~ reimburse a CPO jurisdiction for the cost that the jurisdiction assumes under this section for providing probation services, including supervising juveniles committed to the commissioner of corrections~~; and~~.

~~(2) reimburse a non-CPO jurisdiction for the commissioner's provision of probation services to the jurisdiction under this section.~~

Sec. 8. Minnesota Statutes 2024, section 244.19, subdivision 5, is amended to read:

Subd. 5. **Commissioner ~~compensation to~~ duties for non-CPO jurisdiction.** (a) For a non-CPO jurisdiction, the commissioner must~~, out of appropriations provided under subdivision 5a, paragraph (b),~~ pay probation officers the salary and all benefits fixed by the state law or applicable bargaining unit and all necessary expenses, including secretarial service, office equipment and supplies, postage, telephone services, and travel and subsistence.

(b) Except as provided under section 401.115, the commissioner must pay the items under paragraph (a) using appropriations provided under section 401.10.

Sec. 9. Minnesota Statutes 2024, section 244.19, subdivision 5a, is amended to read:

Subd. 5a. **Department of Corrections ~~billing; CPO and non-CPO jurisdiction reimbursement~~ annual reporting.** (a) At least ~~every six months~~ annually, the commissioner must ~~bill for the total cost and expenses incurred by the commissioner on behalf of each non-CPO jurisdiction that has received probation services. The commissioner must~~ notify each CPO and non-CPO jurisdiction of the total cost and expenses~~, and the jurisdiction must pay to the commissioner the amount due for reimbursement~~ incurred by the commissioner on behalf of each CPO and non-CPO jurisdiction that has received probation services.

~~(b) Each CPO and non-CPO jurisdiction must reimburse the Department of Corrections for the total cost and expenses of the probation services as incurred by the commissioner, excluding the cost and expense of services provided under the state's obligation for adult felony supervision in section 244.20. Money received under this paragraph from a non-CPO jurisdiction must be annually appropriated to the commissioner for providing probation services to the jurisdiction.~~

~~(c) Objections by a non-CPO jurisdiction to all allocation of cost and expenses must be presented to and determined by the commissioner.~~

~~(d) In addition to the billing and reimbursement requirements under this section,~~ (b) Invoicing and payments for probation services for a CPO jurisdiction are as provided under sections 401.14 and 401.15.

Sec. 10. Minnesota Statutes 2024, section 244.20, is amended to read:

244.20 PROBATION; FELONY SUPERVISION.

(a) Notwithstanding sections 244.19, subdivisions 1 to 1d, and 609.135, subdivision 1, the Department of Corrections:

(1) has exclusive responsibility for providing probation services for adult felons in counties and Tribal Nations that do not take part in the Community Corrections Act subsidy program under chapter 401; and

(2) to provide felony supervision, retains the county's or Tribal Nation's funding allotted under section 401.10 for providing felony probation services.

(b) Paragraph (a), clause (2), does not apply to a Tribal Nation's subsidy under section 401.115.

Sec. 11. Minnesota Statutes 2024, section 244.41, subdivision 6, is amended to read:

Subd. 6. **Earned compliance credit.** "Earned compliance credit" means a one-month reduction from the period ~~during~~ of active supervision ~~of~~ during the supervised release term for every two months that a supervised individual exhibits compliance with the conditions and goals of the individual's supervision plan, and otherwise meets the criteria established by the commissioner of corrections in policy. If an individual earns sufficient earned compliance credits, the commissioner must weigh risk to public safety, including the individual's stability, behavior, or overall adjustment while on supervision before placement on supervision abatement status. Earned compliance credit also applies to a conditional release term.

Sec. 12. Minnesota Statutes 2024, section 244.44, is amended to read:

244.44 APPLYING EARNED INCENTIVE RELEASE CREDIT.

Earned incentive release credits are included in calculating the term of imprisonment but are not added to the person's supervised release term, the total length of which remains unchanged. The maximum amount of earned incentive release credit that can be earned and subtracted from the term of imprisonment is 17 percent of the total executed sentence. Earned credit cannot reduce the term of imprisonment to less than one-half of the incarcerated person's executed sentence. ~~Once earned,~~ Earned incentive release credits are ~~nonrevocable~~ revocable if the person violates rules of the facility where the person is incarcerated or otherwise commits a criminal act while incarcerated.

Sec. 13. Minnesota Statutes 2024, section 244.46, subdivision 1, is amended to read:

Subdivision 1. **Adopting policy for earned compliance credit; supervision abatement status.** (a) The commissioner must adopt a policy providing for earned compliance credit and supervision abatement status, including the circumstances under which an individual may receive earned compliance credits and transition to supervision abatement status.

(b) Except as otherwise provided in the act, once the time served on active supervision plus earned compliance credits equals the total length of the supervised release term or, if applicable, the aggregate length of the supervised release term and conditional release term, the individual is eligible for supervision abatement status. However, the commissioner must not place the individual on supervision abatement status for the remainder of the supervised or conditional release term ~~and, if applicable, the conditional release term~~ if the commissioner determines that doing so would present a risk to public safety, after weighing factors including the individual's stability, behavior, or overall adjustment while on supervision. For individuals with lifetime terms of conditional release, the commissioner shall not place the individual on supervision abatement status unless the time served on active supervision plus earned compliance credits equals at least ten years.

Sec. 14. Minnesota Statutes 2024, section 326.338, subdivision 4, is amended to read:

Subd. 4. **Protective agent.** A person who for a fee, reward, or other valuable consideration undertakes any of the following acts is considered to be engaged in the business of protective agent:

(1) providing guards, private patrol, or other security personnel to protect persons or their property or to prevent the theft, unlawful taking of goods, merchandise, or money, or to prevent the misappropriation or concealment of goods, merchandise, money, or other valuable things, or to procure the return of those things;

(2) physically responding to any alarm signal device, burglar alarm, television camera, still camera, or a mechanical or electronic device installed or used to prevent or detect burglary, theft, shoplifting, pilferage, losses, or other security measures;

(3) providing armored car services for the protection of persons or property;

(4) controlling motor traffic on public streets, roads, and highways for the purpose of escorting a funeral procession and oversized loads;

(5) providing management and control of crowds for the purpose of safety and protection; or

(6) providing guards or other security personnel to transport prisoners or any other person arrested on a warrant, except that this does not apply to the transport or escort of offenders by staff of the Department of Corrections; the transport of a person by the sheriff of a county to the appropriate adult or juvenile correctional facility as designated by the commissioner of corrections or to and from court in connection with postconviction, habeas corpus, or intrastate mandatory disposition of detainers proceedings; the transfer of a person by emergency medical services personnel; or the transfer of a person by a peace officer as defined in section 626.84, subdivision 1, paragraph (c), or employed by a federal law enforcement agency.

A person covered by this subdivision may perform the traffic-control duties in clause (4) in place of a police officer when a special permit is required, provided that the protective agent is first-aid qualified.

Sec. 15. Minnesota Statutes 2024, section 401.03, is amended to read:

401.03 RULEMAKING AUTHORITY; TECHNICAL ASSISTANCE.

(a) The commissioner must, as provided in chapter 14, adopt rules to implement this chapter and provide consultation and technical assistance to counties and Tribal Nations to help them develop comprehensive plans, including abbreviated plans.

(b) The time limit to adopt rules under section 14.125 does not apply.

Sec. 16. Minnesota Statutes 2024, section 401.10, subdivision 1, is amended to read:

Subdivision 1. **Community supervision funding formula.** (a) Beginning July 1, 2023, the community supervision subsidy paid to each county, the commissioner for supervision of non-CCA jurisdictions served by the Department of Corrections, and each applicable Tribal Nation ~~under paragraph (c)~~ providing services as a CCA jurisdiction or CPO jurisdiction as defined in section 244.19, subdivision 1a, paragraph (b), equals the sum of:

(1) a base funding amount equal to $150,000; and

(2) a community supervision formula equal to the sum of:

~~(i) for each individual with a felony sentence, a felony per diem rate of $5.62 multiplied by the sum of the county's or Tribal Nation's adult felony population, adult supervised release and parole populations, and juvenile supervised release and parole populations as reported in the most recent probation survey published by the commissioner, multiplied by 365; and~~

~~(ii) for each individual sentenced for a gross misdemeanor or misdemeanor or under juvenile probation, the felony per diem rate of $5.62 multiplied by 0.5 and then multiplied by the sum of the county's or Tribal Nation's gross misdemeanor, misdemeanor, and juvenile populations as reported in the most recent probation survey published by the commissioner, multiplied by 365.~~

(i) for individuals with a felony sentence, the felony per diem rate of $5.62 shall be multiplied by the average total population over the three most recent years, as reported in the probation surveys published by the commissioner. This population includes the county or Tribal Nation's adult felony population, adult supervised release population, adult parole population, juvenile supervised release population, and juvenile parole population. The resulting amount shall then be multiplied by 365 to calculate the total annual allocation; and

(ii) for individuals sentenced for a gross misdemeanor, for a misdemeanor, or under juvenile probation, the felony per diem rate of $5.62 shall be multiplied by 0.5, and then multiplied by the average total population over the three most recent years, as reported in the probation surveys published by the commissioner. This population includes the county or Tribal Nation's gross misdemeanor population, misdemeanor population, and juvenile probation population. The resulting amount shall then be multiplied by 365 to calculate the total annual allocation.

(b) For a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), the base funding amount must be shared equally between the jurisdiction and the commissioner for the provision of felony supervision under section 244.20.

(c) If in any year the total amount appropriated for the purpose of this section is more than or less than the total of base funding plus community supervision formula funding for all counties and applicable Tribal Nations, the sum of each county's and applicable Tribal Nation's base funding plus community supervision formula funding is adjusted by the ratio of amounts appropriated for this purpose divided by the total of base funding plus community supervision formula funding for all counties and applicable Tribal Nations.

(d) If in any year the base funding plus the community supervision formula amount based on what was appropriated in fiscal year 2024 is less than the funding paid to the county in fiscal year 2023, the difference is added to the community supervision formula amount for that county. A county is not eligible for additional funding under this paragraph unless the base funding plus community supervision formula results in an increase in funding for the county based on what was appropriated in the previous fiscal year. This paragraph expires June 30, 2029.

~~(e) For each Tribal Nation, a funding amount of $250,000 is allotted annually to purchase probation services or probation-related services, including contracted services, but a Tribal Nation that becomes a CCA jurisdiction or a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), is an applicable Tribal Nation under paragraphs (a) to (c) and:~~

~~(1) has the Tribal Nation's funding amount of $250,000 transferred to the total community supervision subsidy amount appropriated for the purposes of this section; and~~

~~(2) is allotted a base funding amount equal to $150,000 plus an amount as determined according to the community supervision formula under paragraph (a), clause (2).~~

~~(f)~~ (e) Minnesota Rehabilitation and Reinvestment Act savings under section 244.50, subdivision 4, clause (2), are appropriated to each CCA jurisdiction and non-CCA jurisdiction served by the Department of Corrections by dividing the three-year average of the number of individuals on supervised release and intensive supervised release within the jurisdiction by the three-year average of the total number of individuals under supervised release and intensive supervised release statewide, using the numbers reported annually in the Probation Survey report.

Sec. 17. Minnesota Statutes 2024, section 401.10, is amended by adding a subdivision to read:

Subd. 1a. **Prorating subsidy for Interstate Transfer Unit.** Before disbursing the community supervision subsidy in subdivision 1, the commissioner must prorate the cost of the Interstate Transfer Unit based upon the county's share of the average total probation population over the three most recent years as reported in the probation survey published by the commissioner and deduct that amount from the county's subsidy.

Sec. 18. Minnesota Statutes 2024, section 401.10, subdivision 4, is amended to read:

Subd. 4. **Report.** ~~(a)~~ By January 15, 2025, and every odd-numbered year thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy. At a minimum, the report must summarize and contain the following data:

(1) the commissioner's most recent workload study under section 401.17, subdivision 4; and

~~(2) the commissioner's collected caseload data under section 244.21, subdivision 1; and~~

~~(3)~~ (2) projected growth in the community supervision formula calculated by analyzing ~~caseload~~ supervision population trends and data.

~~(b) The report may be made in conjunction with reporting under section 244.21.~~

Sec. 19. Minnesota Statutes 2024, section 401.11, subdivision 1, is amended to read:

Subdivision 1. **Policy items.** (a) Except for an abbreviated comprehensive plan submitted under section 401.115, a comprehensive plan submitted to the commissioner for approval under section 401.06 must include items prescribed by commissioner policy and may include the following:

(1) the manner in which presentence and postsentence investigations and reports for the district courts and social history reports for the juvenile courts will be made;

(2) the manner in which conditional release services to the courts and persons under jurisdiction of the commissioner will be provided;

(3) a program for detaining, supervising, and treating persons under pretrial detention or under commitment;

(4) delivery of other correctional services;

(5) proposals for new programs, which proposals must demonstrate a need for the program, and the program's purpose, objective, administrative structure, staffing pattern, staff training, financing, evaluation process, degree of community involvement, client participation, and duration;

(6) descriptions of programs that adhere to best practices for assessing risk and using interventions that address an individual's needs while tailoring supervision and interventions by using risk, need, and responsivity principles; and

(7) data on expenditures, costs, and programming results and outcomes for individuals under community supervision.

(b) The commissioner must develop in policy budgetary requirements for comprehensive plans to ensure the efficient and accountable expenditure of a county's or Tribal Nation's subsidy for correctional services and programming to produce successful community supervision outcomes.

Sec. 20. **[401.115] NONPARTICIPATING TRIBAL NATIONS.**

Subdivision 1. **Subsidy amount.** A Tribal Nation electing not to provide services as a CCA jurisdiction or a CPO jurisdiction under section 244.19, subdivision 1a, paragraph (b), is eligible for a subsidy of $250,000 annually to purchase or provide community supervision services or reentry services, including contracted services.

Subd. 2. **Eligibility for subsidy.** (a) A Tribal Nation is eligible to receive funding under subdivision 1 upon submission and approval by the commissioner of an abbreviated comprehensive plan. Section 401.08 does not apply. The abbreviated plan must comply with commissioner-developed standards and, at minimum:

(1) describe the community supervision services or reentry services for which the funding will be utilized;

(2) identify a steering committee to oversee the use of funds; and

(3) provide a budget for those services.

(b) Once approved, the abbreviated comprehensive plan is valid for two years.

Subd. 3. **Paying subsidy.** A Tribal Nation receiving the subsidy under subdivision 1 must be paid according to section 401.14.

Subd. 4. **Eligibility for community supervision funding formula.** A Tribal Nation electing to become a CCA jurisdiction or a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), is an applicable Tribal Nation under section 401.10, subdivision 1, paragraphs (a) to (c), and:

(1) has the Tribal Nation's funding amount under subdivision 1 transferred to the community supervision formula amount appropriated for the purpose of section 401.10;

(2) is allotted a base funding amount equal to $150,000 plus an amount as determined according to the community supervision formula under section 401.10, subdivision 1, paragraph (a), clause (2); and

(3) is subject to all requirements relating to providing correctional services under section 244.19 and chapter 401.

Sec. 21. Minnesota Statutes 2024, section 401.14, is amended to read:

401.14 PAYING SUBSIDY TO CCA AND NON-CCA JURISDICTIONS.

Subdivision 1. **Payment.** (a) This section does not apply to:

(1) a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (d); and

(2) a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), for the portion of the subsidy distributed for felony probation services.

(b) After a county or Tribal Nation becomes compliant with the prerequisites for receiving the subsidy and the commissioner approves the applicable comprehensive plan, the commissioner must determine whether funds exist to pay the subsidy and proceed to pay it in accordance with applicable law.

Subd. 2. **Quarterly estimate and remittance.** Based on the approved comprehensive plan, the commissioner may estimate the amount to be expended in furnishing the required correctional services during each calendar quarter and cause the estimated amount to be remitted to the counties and Tribal Nations entitled to the amount as provided under section 401.15, subdivision 1.

Subd. 3. **Installment payments.** The commissioner must:

(1) make payments for correctional services to each county and Tribal Nation in 12 installments per year;

(2) ensure that the pertinent payment of the allotment for each month is made to each county and Tribal Nation on the first working day after the end of each month of the calendar year, except for the last month of the calendar year; and

(3) ensure that each county and Tribal Nation receives its monthly payment allotment no later than the last working day of each month.

Sec. 22. Minnesota Statutes 2024, section 401.15, subdivision 2, is amended to read:

Subd. 2. **Formula review.** The commissioner must ~~annually~~ review the community supervision formula under section 401.10 at the start of each biennium and calculate and prorate the subsidy accordingly.

Sec. 23. Minnesota Statutes 2024, section 401.17, subdivision 1, is amended to read:

Subdivision 1. **Establishment; members.** (a) The commissioner must establish a Community Supervision Advisory Committee to develop and make recommendations to the commissioner on standards for probation, supervised release, and community supervision. The committee consists of 19 members as follows:

(1) two directors appointed by the Minnesota Association of Community Corrections Act Counties;

(2) two probation directors appointed by the Minnesota Association of County Probation Officers;

(3) three county commissioner representatives appointed by the Association of Minnesota Counties;

(4) two behavioral health, treatment, or programming providers who work directly with individuals on correctional supervision, one appointed by the Department of Human Services and one appointed by the Minnesota Association of County Social Service Administrators;

(5) two representatives appointed by the Minnesota Indian Affairs Council;

(6) two commissioner-appointed representatives from the Department of Corrections;

(7) the chair of the statewide Evidence-Based Practice Advisory Committee;

(8) three individuals ~~who have been supervised, either individually or collectively, under each of the state's three community supervision delivery systems~~ with varied experiences in community supervision, reflecting the diversity of the state's supervision frameworks as well as demographic and geographic diversity, appointed by the commissioner in consultation with the Minnesota Association of County Probation Officers and the Minnesota Association of Community Corrections Act Counties;

(9) an advocate for victims of crime appointed by the commissioner; ~~and~~

(10) a representative from a community-based research ~~and~~ or advocacy entity appointed by the commissioner~~.~~;

(11) two judicial representatives, one from the seven-county metropolitan area and one from greater Minnesota, appointed by the Minnesota Judicial Council;

(12) one prosecutor appointed by the Minnesota County Attorneys Association; and

(13) one defense attorney appointed by the Minnesota State Public Defender.

(b) When an appointing authority selects an individual for membership on the committee, the authority must make reasonable efforts to reflect geographic diversity and to appoint qualified members of protected groups, as defined under section 43A.02, subdivision 33.

(c) Chapter 15 applies to the extent consistent with this section.

(d) The commissioner must convene the first meeting of the committee on or before October 1, 2023.

Sec. 24. Minnesota Statutes 2024, section 401.17, subdivision 5, is amended to read:

Subd. 5. **Data collection; report.** (a) By June 1, 2024, the advisory committee, in consultation with the Minnesota Counties Computer Cooperative, must create a method to (1) standardize data classifications across the three community supervision systems, and (2) collect data for the commissioner to publish in an annual report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy.

(b) The advisory committee's method, at a minimum, must provide for collecting the following data:

(1) the number of individuals sentenced to supervision each year;

(2) the offense levels, offense types, and assessed risk levels for which individuals are sentenced to supervision;

(3) violation and revocation rates and the identified grounds for the violations and revocations, including final disposition of the violation action such as execution of the sentence, imposition of new conditions, or a custodial sanction;

(4) the number of individuals granted early discharge from probation;

(5) the number of individuals restructured on supervision, including imposition of new conditions of release; and

(6) the number of individuals revoked from supervision and the identified grounds for revocation.

(c) Beginning ~~January 15~~ May 1, 2025, as part of the report under section ~~241.21~~ 244.21, subdivision 2, the commissioner must include data collected under the committee method established under this subdivision. The commissioner must analyze the collected data by race, gender, and county, including Tribal Nations.

(d) Nothing in this section overrides the commissioner's authority to require additional data be provided under other law.

Sec. 25. Laws 2023, chapter 52, article 11, section 31, is amended to read:

Sec. 31. **MENTAL HEALTH UNIT PILOT PROGRAM.**

(a) The commissioner of corrections shall establish a pilot program with interested counties to provide mental health care to individuals with serious and persistent mental illness who are incarcerated in county jails. The pilot program must require the participating counties to pay according to Minnesota Statutes, section 243.51, a per diem for reimbursement of the Mental Health Unit at the Minnesota Correctional Facility - Oak Park Heights, and other costs incurred by the Department of Corrections.

(b) The commissioner in consultation with the Minnesota Sheriffs' Association shall develop program protocols, guidelines, and procedures and qualifications for participating counties and incarcerated individuals to be treated in the Mental Health Unit. The program is limited to a total of five incarcerated individuals from the participating

counties at any one time. Incarcerated individuals must ~~volunteer to be treated in the unit and~~ be able to participate in programming with other incarcerated individuals. A licensed mental health professional must evaluate the incarcerated individual and recommend the individual to receive treatment in the unit.

(c) The Minnesota Correctional Facility - Oak Park Heights warden, director of psychology, and associate director of behavioral health, or a designee of each, in consultation with the Minnesota Sheriffs' Association, the Minnesota branch of the National Association on Mental Illness, and the Department of Human Services, shall oversee the pilot program.

~~(d) On November 15, 2024, the warden shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over corrections describing the protocols, guidelines, and procedures for participation in the pilot program by counties and incarcerated individuals, challenges with staffing, cost sharing with counties, capacity of the program, services provided to the incarcerated individuals, program outcomes, concerns regarding the program, and recommendations for the viability of a long-term program.~~

~~(e)~~ (d) The pilot program expires ~~November 16, 2024~~ August 1, 2027.

Sec. 26. **REPEALER.**

Minnesota Statutes 2024, sections 253.21; and 253.23, are repealed.

ARTICLE 8
COURTS

Section 1. Minnesota Statutes 2024, section 480.243, is amended by adding a subdivision to read:

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

Sec. 2. Minnesota Statutes 2024, section 484.44, is amended to read:

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

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

Sec. 3. Minnesota Statutes 2024, section 484.51, is amended to read:

484.51 PAPERS WHERE FILED; ST. LOUIS COUNTY.

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

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

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

Sec. 4. Minnesota Statutes 2024, section 518.68, subdivision 1, is amended to read:

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

Sec. 5. Minnesota Statutes 2024, section 524.5-420, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9
DATA PRACTICES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) this subdivision; and

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

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

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

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

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

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

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

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

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

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

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

(3) date of first and last employment;

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(4)~~ (5) the following employees:

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

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

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

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2024, section 13.825, subdivision 4, is amended to read:

Subd. 4. **Access by data subjects.** (a) For purposes of this chapter, a portable recording system data subject includes the peace officer who collected the data, and any other individual or entity, including any other peace officer, regardless of whether the officer is or can be identified by the recording, whose image or voice is documented in the data.

(b) An individual who is the subject of portable recording system data has access to the data, including data on other individuals who are the subject of the recording. If the individual requests a copy of the recording, data on other individuals who do not consent to its release must be redacted from the copy. The identity and activities of an on-duty peace officer engaged in an investigation or response to an emergency, incident, or request for service may not be redacted, unless the officer's identity is subject to protection under section 13.82, subdivision 17, clause (a).

(c) Notwithstanding section 13.82, subdivision 7, upon request, a person entitled to a report of a collision under section 169.09, subdivision 13, must be provided with copies of unredacted data from all portable recording systems used in the collision investigation, including data on other individuals who are the subject of the recording. A request must be made in writing and accompanied by the accident report relating to the data. Data provided under this paragraph must only be used to process a claim related to the collision or as evidence in a proceeding related to the collision. The requestor must not disseminate the data or use the data for any other purpose. A requestor who disseminates or uses the data in violation of this paragraph is subject to the remedies and penalties under section 13.08. A law enforcement agency must notify the requestor that the remedies and penalties under section 13.08 apply to a violation of this paragraph. A law enforcement agency may deny a request to provide unredacted portable recording system data under this paragraph if:

(1) the agency determines there is a compelling reason that providing access to the data would interfere with an active investigation;

(2) the data is clearly offensive to common sensibilities; or

(3) the data is classified as not public by other provisions under this chapter.

If a law enforcement agency denies access under clause (1), the agency must provide a prompt, written reason for the denial to the individual who requested the data with a description of the compelling reason and must provide notice that relief may be sought from the district court under section 13.82, subdivision 7. This paragraph does not apply to the Minnesota State Patrol.

Sec. 6. Minnesota Statutes 2024, section 13.991, is amended to read:

13.991 JUDICIAL OFFICIAL DATA; PERSONAL INFORMATION.

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

(b) If the responsible authority or government entity violates this chapter, the remedies and penalties under this chapter are available only if the judicial official making a claim previously provided written notification to the responsible authority confirming on a form provided by the Minnesota judicial branch that they are entitled to protection under section 480.40. If the subject of the data is an adult child of a judicial official who does not reside with the judicial official, the remedies and penalties under this chapter are available only if the adult child previously

provided written notification to the responsible authority confirming their status as the child of a judicial official. In the case of county records, the form shall be filed with the responsible authority that maintains the personal information for which the judicial officer is seeking protection. A form submitted under this section is private data on individuals. A notice filed under this paragraph expires five years following the date of filing, unless it is renewed prior to the expiration date.

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

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

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

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

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

Sec. 7. **[144.338] DATA SHARING FOR PATIENT REGISTRIES LIMITED.**

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

(b) "Disability" means any condition or characteristic that renders a person a disabled person. A disabled person is any person who:

(1) has a physical, sensory, or mental impairment which materially limits one or more major life activities;

(2) has a record of such an impairment;

(3) is regarded as having such an impairment; or

(4) has an impairment that is episodic or in remission and would materially limit a major life activity when active.

(c) "Patient registry" means a list, directory, or database of the names, contact information, or other identifying information of individuals who have, had, or are at risk of having a specific disability.

Subd. 2. **Dissemination prohibited.** (a) Except as specifically authorized or required by state or federal law, a person must not add, share, or disseminate the following data to a patient registry without the individual's informed consent to have the individual's data included on the patient registry:

(1) an individual's name or other data that could reasonably be used to identify an individual; or

(2) an individual's contact information, including but not limited to a home address, telephone number, or electronic mail addresses.

(b) Nothing in this section prohibits an individual from transmitting the individual's own identifying data to a patient registry.

Subd. 3. **Enforcement.** The attorney general may enforce this section pursuant to section 8.31, except that the remedies provided by section 8.31, subdivision 3a, do not apply to a violation of this section. A government entity, as defined by section 13.02, subdivision 7a, that violates this section is subject to the remedies and penalties under sections 13.08, 13.085, and 13.09.

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

Sec. 8. Minnesota Statutes 2024, section 144E.123, subdivision 3, is amended to read:

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

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

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

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

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

Sec. 9. Minnesota Statutes 2024, section 299C.80, subdivision 6, is amended to read:

Subd. 6. **Reporting.** (a) As provided for in chapter 13, the superintendent must make all inactive investigative data for officer-involved death investigations that are public under section 13.82, subdivision 7, or other applicable law available on the bureau's website within 30 days of the ~~end of the last criminal appeal of a subject of an investigation.~~ case becoming inactive as defined in section 13.82, subdivision 7, except any video that does not record, describe, or otherwise document actions and circumstances surrounding the officer-involved death.

(b) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy the following information about the unit: the number of investigations initiated; the number of incidents investigated; the outcomes or current status of each investigation; the charging decisions made by the prosecuting authority of incidents investigated by the unit; the number of plea agreements reached in incidents investigated by the unit; and any other information relevant to the unit's mission.

(c) Nothing in this subdivision modifies the requirements of chapter 13 or the classification of data.

Sec. 10. Minnesota Statutes 2024, section 480.40, subdivision 1, is amended to read:

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

(b) "Judicial official" means:

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

(2) a current or retired justice of the Minnesota Supreme Court;

(3) employees of the Minnesota judicial branch;

(4) judicial referees and magistrate judges; and

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

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

(1) a residential address of a judicial official;

(2) a residential address of the spouse, domestic partner, or children of a judicial official;

(3) a nonjudicial branch issued telephone number or email address of a judicial official;

(4) the name of any child of a judicial official; and

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

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

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

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

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

Sec. 11. Minnesota Statutes 2024, section 480.40, subdivision 3, is amended to read:

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

(1) the dissemination of personal information if the information is relevant to and displayed as part of a news story, commentary, editorial, or other speech on a matter of public concern;

(2) personal information that the judicial official voluntarily disseminates publicly after August 1, 2024;

(3) the dissemination of personal information made at the request of the judicial official or which is necessary to effectuate the request of a judicial official;

(4) a commercial entity using personal information internally, providing access to businesses under common ownership or affiliated by corporate control, or selling or providing data for a transaction or service requested by or concerning the individual whose personal information is being transferred;

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

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

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

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

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

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

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

(12) insurance and insurance support organizations;

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

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

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

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

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

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

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

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

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

Sec. 12. Minnesota Statutes 2024, section 480.45, subdivision 2, is amended to read:

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

(b) Paragraph (a) shall not apply to personal information contained in~~:~~ real property records, as defined in section 480.50, subdivision 1, paragraph (f), when disseminated directly by a government entity or when publicly posted or published in a manner required by statute.

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

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

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

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

Sec. 13. **[480.50] PERSONAL INFORMATION IN REAL PROPERTY RECORDS.**

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

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

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

(d) "Judicial official" has the meaning given in section 480.40, subdivision 1, paragraph (b), except that it does not include: (1) employees of the Minnesota judicial branch, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, or the Tax Court; or (2) judges or employees in the Department of Human Services Appeals Division.

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

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

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

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

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

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

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

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

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

(1) the full legal name of the individual submitting the form;

(2) the last four digits of the individual's Social Security number;

(3) the individual's date of birth;

(4) the individual's telephone number and email;

(5) the residential address of the individual in Minnesota;

(6) the legal description, parcel identification number, and street address, if any, of the real property affected by the notice;

(7) if applicable, the document number and certificate of title number; and

(8) a certification that the individual is a judicial official or the spouse, domestic partner, or adult child of a judicial official that contains the notarized signature of the individual.

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

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

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

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

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

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

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

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

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

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

(c) A real property notice submitted under subdivision 3 shall apply retroactively to all online and digital real property records, but only to the extent the individual submitting the notice provides: (1) for county recorder records, the document number or certificate of title number of each record for which protection is sought, except digitized or scanned tract pages and books; and (2) for other government entity real property records, the parcel identification number of each record for which protection is sought. Otherwise, paragraph (a) applies only to the real property records recorded or filed concurrently with the real property notice specified in subdivision 3 and to real property records affecting the same real property recorded subsequent to the county recorder or other government entity's receipt of the real property notice.

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

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

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

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

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

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

(5) the individual who filed a real property notice pursuant to subdivision 3 no longer qualifies for protection under this section because they are no longer a judicial official or the spouse, domestic partner, or adult child of a judicial official. If the individual no longer qualifies for protection under this section, the individual must notify each county recorder or other government entity to which a notice under subdivision 3 was given within 90 days after the individual no longer qualifies for protection.

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

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

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

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

(2) a mortgage loan originator;

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

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

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

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

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

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

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

(5) proof of the requestor's licensure.

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

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

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

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

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

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

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

ARTICLE 10
MORTGAGE FORECLOSURE

Section 1. Minnesota Statutes 2024, section 272.45, is amended to read:

272.45 TAXES PAID BY TENANT, OCCUPANT, OR OTHER PERSON BECOME LIEN, UPON NOTICE FILED WITH COUNTY RECORDER OR REGISTRAR OF TITLES.

When any past due or delinquent tax on land is paid by any occupant, tenant, or person with ~~an~~ a legal or equitable interest in the land other than a lien, or a person acting on that person's behalf, which, by agreement or otherwise, ought to have been paid by the owner, lessor, or other party in interest, such occupant, tenant, or person may recover by action the amount which such owner, lessor, or party in interest ought to have paid, with interest thereon at the rate of 12 percent per annum, or may retain the same from any rent due or accruing from the person to such owner or lessor for land on which such tax is so paid. A person making a payment under this section may file with the county recorder or registrar of titles of the proper county a ~~notice~~ sworn statement stating the amount and date of such payment, with a copy of the receipt attached, and stating the legal or equitable interest claimed in the land, with a description of the land against which the taxes were charged; and the same shall thereupon be a lien as of the date of recording of the sworn statement upon such land in favor of the person paying the same until the same is paid. The county recorder shall record such ~~notice~~ sworn statement in the indices maintained by the county recorder. The registrar of titles shall record the ~~notice~~ sworn statement on the certificate of title for the land. Upon the payment of any such lien, the person filing such ~~notice~~ sworn statement shall satisfy the same of record.

Sec. 2. Minnesota Statutes 2024, section 580.07, subdivision 1, is amended to read:

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

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

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

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

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

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

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

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

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

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

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

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

Sec. 4. Minnesota Statutes 2024, section 580.10, is amended to read:

580.10 SURPLUS.

Subdivision 1. **Demand for surplus.** In all cases not provided for in section 580.09, and except as required by subdivision 3, if, after sale of any real estate, made as herein prescribed, there remains in the hands of the officer making the sale any surplus money, after satisfying the mortgage, with interest, taxes paid, and costs of sale, the surplus shall be paid over by such officer, on demand, to the mortgagor, the mortgagor's legal representatives or assigns. Any surplus of $100 or greater shall be held by the sheriff for the duration of the time allowed for redemption under section 580.23 or 582.032, whichever is applicable, and if requested by the owner, applied toward a redemption as described in subdivision 3. If there is no redemption under section 580.23 or 582.032, a surplus of $100 or greater shall be paid first to junior creditors with liens of record at the time of the sheriff's sale in order of priority, if demanded by a junior creditor within the time allowed for redemption under section 580.23 or 582.032, whichever is applicable, and thereafter to the owner of record at the time of the sheriff's sale, or as provided by court order under section 580.28. A demand by a party other than the owner shall be accompanied by an affidavit stating the amount remaining unpaid and the interest creating a right to the surplus.

Subd. 2. **Notice of surplus.** When there is a surplus of $100 or greater, the sheriff shall notify the owner by mail sent to the property address, or, if no street address is assigned for the property on the property tax statement, to the taxpayer's address on the property tax statement, that a surplus exists and to call the sheriff's office for more information about the surplus and how to make a claim to the surplus. The notice shall also include contact information for the Minnesota Homeownership Center and a statement to call the Minnesota Homeownership Center for information about redemption and surplus.

Subd. 3. **Request by owner to have surplus applied.** At any time during the owner's redemption period, the owner of record at the time of the sheriff's sale may submit a written request to the sheriff to have the surplus applied to the redemption amount. The right to have the surplus applied to the redemption amount is not transferable to any subsequent owner.

Subd. 4. **Surplus less than $100.** If a surplus remains under $100, the sheriff may pay the surplus amount to the owner of record at the time of the sheriff's sale.

Subd. 5. **Resolution of competing claims.** If there are competing claims or if it appears to the sheriff that any claim is not meritorious, the sheriff may apply to the court in the county in which the sale was made and set forth by petition the facts then known to the sheriff, and the names and addresses of the owner and all known claimants to the surplus, at no cost to the sheriff. The sheriff shall retain the surplus until further order of the court under section

580.28. If a hearing is scheduled, the sheriff may participate in an advisory capacity. The sheriff shall be represented by the county attorney. The sheriff shall give notice of the opening of the court file to the holders of the claims by service of the petition in the manner of a summons under the Rules of Civil Procedure. Failure of an owner to participate in the court action does not waive the right of that owner to the surplus.

Sec. 5. Minnesota Statutes 2024, section 580.225, is amended to read:

580.225 SATISFACTION OF ~~JUDGMENT~~ MORTGAGE.

The amount received from foreclosure sale under this chapter is full satisfaction of the mortgage debt, except as provided in section 582.30.

Sec. 6. Minnesota Statutes 2024, section 580.24, is amended to read:

580.24 REDEMPTION BY CREDITOR.

(a) If no redemption is made by the mortgagor, the mortgagor's personal representatives or assigns, the most senior creditor having a legal or equitable lien upon the mortgaged premises, or some part of it, subsequent to the foreclosed mortgage, may redeem within ~~seven~~ 14 days after the expiration of the redemption period determined under section 580.23 or 582.032, whichever is applicable; and each subsequent creditor having a lien may redeem, in the order of priority of their respective liens, within ~~seven~~ 14 days after the time allowed the prior lienholder by paying the amount required under this section. However, no creditor is entitled to redeem unless, one week or more prior to the expiration of the period allowed for redemption by the mortgagor, the creditor:

(1) records with each county recorder and registrar of titles where the foreclosed mortgage is recorded a notice of the creditor's intention to redeem;

(2) records with each county recorder and registrar of titles where the notice of the creditor's intention to redeem is recorded all documents necessary to create the lien on the mortgaged premises and to evidence the creditor's ownership of the lien, including a copy of any money judgment necessary to create the lien; and

(3) after complying with clauses (1) and (2), delivers to the sheriff who conducted the foreclosure sale or the sheriff's successor in office a copy of each of the documents required to be recorded under clauses (1) and (2), with the office, date and time of filing for record stated on the first page of each document.

The sheriff shall maintain for public inspection all documents delivered to the sheriff and shall note the date of delivery on each document. The sheriff may charge a fee of $100 for the documents delivered to the sheriff relating to each lien. The sheriff shall maintain copies of documents delivered to the sheriff for a period of six months after the end of the mortgagor's redemption period.

(b) Saturdays, Sundays, legal holidays, and the first day following the expiration of the prior redemption period must be included in computing the ~~seven-day~~ 14-day redemption period. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day must be omitted from the computation. The order of redemption by judgment creditors subsequent to the foreclosed mortgage shall be determined by the order in which their judgments were entered as memorials on the certificate of title for the foreclosed premises or docketed in the office of the district court administrator if the property is not registered under chapter 508 or 508A, regardless of the homestead status of the property. All mechanic's lienholders who have coordinate liens shall have one combined ~~seven-day~~ 14-day period to redeem.

(c) The amount required to redeem from the holder of the sheriff's certificate of sale is the amount required under section 580.23. The amount required to redeem from a ~~person~~ creditor holding a certificate of redemption is:

(1) the amount paid to redeem as shown on the certificate of redemption; plus

(2) interest on that amount to the date of redemption at the rates stated on the certificate of sale and the affidavit provided by section 580.25, clause (3), or six percent if no rate is otherwise stated; plus

(3) the amount claimed due on the ~~person's~~ creditor's lien, as shown on the affidavit under section 580.25, clause (3).

(d) If the sheriff determines there is a dispute or question of validity about a redemption, the sheriff may accept the amount required to redeem, together with documents in support of the redemption, from one or more creditors competing for or claiming a right to redeem, without executing and delivering a certificate of redemption, and the sheriff may commence an action under section 580.28 at no cost to the sheriff. A creditor subject to a dispute or question of validity about a redemption may submit the matter for adjudication of the court under section 580.28. If the sheriff does not execute and deliver a certificate of redemption under this section, all further junior creditor redemption periods are stayed until determined by the court, and all junior creditors who have recorded notices of intent to redeem should be included in the action under section 580.28. The amount required to redeem may be paid to the holder of the sheriff's certificate of sale or the certificate of redemption, as the case may be, or to the sheriff for the holder.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 580.25, is amended to read:

580.25 CREDITOR REDEMPTION, HOW MADE.

Redemption shall be made as provided in this section.

The ~~person~~ creditor desiring to redeem shall pay the amount required by law for the redemption, and shall produce to the person or officer receiving the redemption payment:

(1) a copy of the docket of the judgment, or of the recorded deed or mortgage, or of the record or files evidencing any other lien under which the ~~person~~ creditor claims a right to redeem;

(2) a copy of any recorded assignment necessary to evidence the ~~person's~~ creditor's ownership of the lien. If the redemption is under an assignment of a judgment, the assignment shall be filed in the court entering the judgment, as provided by law, and the ~~person~~ creditor so redeeming shall produce a copy of it and of the record of its filing, and the copy of the docket shall show that the proper entry was made upon the docket. No further evidence of the assignment of the judgment is required unless the mortgaged premises or part of it is registered property, in which case the judgment and all assignments of the judgment must be entered as a memorial upon the certificate of title to the mortgaged premises and a copy of the judgment and each assignment with the certificate of record endorsed on it must be produced; and

(3) an affidavit of the ~~person~~ creditor or the ~~person's~~ creditor's agent, ~~showing the amount then actually claimed due on the person's~~ identifying the lien ~~and required to be paid on the lien in order to redeem from the person~~ under which the creditor claims a right to redeem and stating the amount then actually claimed due and owing on the lien and stating the interest rate on the lien. Additional fees and charges may be claimed due only as provided in section 582.03. The sheriff receiving the affidavit may furnish a copy of the affidavit to any interested party, upon request.

If redemption is made to the sheriff, the sheriff may charge a fee of $250 for issuing the certificate of redemption and any related service. No other fee may be charged by the sheriff for a redemption.

Within 24 hours after a redemption is made, or as soon as reasonably possible, the person redeeming shall cause the documents so required to be produced to be recorded with the county recorder, or registrar of titles, or both when appropriate, who may receive fees as prescribed in section 357.18 or 508.82. If the redemption is made at any place other than the county seat, it is sufficient forthwith to deposit the documents in the nearest post office, addressed to the recorder or registrar of titles, with the postage prepaid within 24 hours after redemption is made or as soon as reasonably possible. A person recording documents produced for redemption shall, on the same day, deliver copies of the documents to the sheriff for public inspection. The sheriff may receive a fee of $20 for the documents delivered following a redemption. The sheriff shall note the date of delivery on the documents and shall maintain for public inspection all documents delivered to the sheriff for a period of six months after the end of the mortgagor's redemption period.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 580.26, is amended to read:

580.26 CERTIFICATE OF REDEMPTION; RECORD.

The person or officer from whom such redemption is made shall make and deliver to the person redeeming a certificate executed and acknowledged in the same manner as a conveyance, containing:

(1) if redeemed under section 580.23 or 582.032, the name of the ~~person~~ mortgagor or the mortgagor's legal representative or assignee redeeming, and if redeemed under section 580.25, the name of the creditor redeeming, and the amount paid ~~by the person on such redemption~~ to redeem;

(2) a description of the sale for which such redemption is made, and of the property redeemed;

(3) a statement of the claim upon which such redemption is made and, if upon a lien, the amount claimed to be due thereon at the date of redemption.

If redemption is made by the owner of the property sold, the owner's heirs, personal representatives, or assigns, such certificate shall be recorded within ~~four days~~ one week after the expiration of the period allowed by law to the owner for redemption and, if made by a creditor holding a lien, the certificate shall be recorded within ~~four days~~ one week after such redemption. Unless so recorded, the certificate shall be void ~~as~~ only against any person in good faith redeeming from the same person or lien.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 580.28, is amended to read:

580.28 ACTION TO SET ASIDE MORTGAGE; FORECLOSURE; REDEMPTION.

When an action is brought wherein it is claimed that any mortgage as to the plaintiff or person for whose benefit the action is brought is fraudulent or void, or has been paid or discharged, in whole or in part, or the relative priority or the validity of liens, redemption rights, or rights to any surplus is disputed, if such mortgage has been foreclosed by advertisement, and the time for redemption from the foreclosure sale will expire before final judgment in such action, the plaintiff or beneficiary having the right to redeem, for the purpose of saving such right in case the action fails, may deposit with the sheriff before the time of redemption expires the amount for which the mortgaged premises were sold, with interest thereon to the time of deposit, together with a ~~bond to the holder of the sheriff's certificate of sale, in an amount and with sureties to be approved by the sheriff, conditioned to pay all interest that may accrue or be allowed on such deposit if the action fail~~ separate deposit with the sheriff of one year's interest on the amount deposited. The person shall, in writing, notify such sheriff that ~~the person claims the mortgage to be~~

~~fraudulent or void, or to have been paid or discharged, in whole or in part, as the case may be, and that~~ such action is pending, and direct the sheriff to retain such money ~~and bond~~ until final judgment or other order of the court. ~~In case such action fails~~ If so ordered by the court, such deposit shall operate as a redemption of the premises from such foreclosure sale, and entitle the plaintiff to a certificate thereof. Such foreclosure, deposit, ~~bond,~~ and notice shall be brought to the attention of the court by supplemental complaint in the action, and the judgment shall determine the validity of the foreclosure sale, and the rights of the parties to the moneys ~~and bond~~ so deposited, which shall be paid and delivered by the sheriff as directed by such judgment upon delivery to the sheriff of a certified copy thereof. The remedy herein provided shall be in addition to other remedies now existing.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 581.02, is amended to read:

581.02 APPLICATION, CERTAIN SECTIONS.

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

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

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

Sec. 11. Minnesota Statutes 2024, section 582.03, subdivision 1, is amended to read:

Subdivision 1. **Allowable costs collectable upon redemption.** The holder of any sheriff's certificate of sale, from a foreclosure by advertisement or action of a mortgage or lien or execution, or the holder of any certificate of redemption as a junior creditor during the period of redemption, may pay and claim the following on redemption: any taxes or assessments on which any penalty would otherwise accrue, and any costs of a hazard insurance policy for the holder's interest in the mortgaged premises incurred for the period of holding the sheriff's certificate, any costs incurred when an order to reduce a mortgagor's redemption period under section 582.032 is entered, including costs and disbursements awarded under section 582.032, subdivision 9, any fees paid to the county recorder, registrar of titles, or sheriff to obtain or record the certificates of sale or redemption or notices of intention to redeem, any reasonable fees paid to licensed real estate brokers for broker price opinions or to licensed appraisers for appraisals, any deed tax paid to file a certificate of redemption, reasonable attorney fees incurred after the foreclosure sale not to exceed one-half of the amount authorized by section 582.01, any costs incurred under section 582.031, and any interest or installment of principal upon any prior or superior mortgage, lien, or contract for deed in default or that becomes due during the period of redemption. In all such cases, the costs so paid and claimed due, with interest from the date of payment at the rate stated in the certificate of sale or at six percent if no rate is stated, shall be a part of the sum required to be paid to redeem from such sale. No other costs, fees, interest, or other amount may be added to the amount necessary to redeem.

EFFECTIVE DATE. This section is effective for affidavits filed with the sheriff after January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 582.03, subdivision 2, is amended to read:

Subd. 2. **Affidavit of allowable costs.** Any payments made and claimed due under subdivision 1 shall be proved by the affidavit of the holder of the sheriff's certificate or its agent or attorney, itemizing each of the allowable costs and the date of payment and describing the premises. The affidavit must be filed with the sheriff of the county in which the sale was held at any time prior to expiration of the mortgagor's redemption period. Upon written request by the sheriff, the holder of the sheriff's certificate or certificate of redemption shall provide an

affidavit of allowable costs to the sheriff within seven days of the date of the request by the sheriff. If the mortgagor does not redeem within seven days after the affidavit is filed, the holder of the sheriff's certificate may file a supplemental affidavit if additional allowable costs are incurred during the redemption period. If the holder of the sheriff's certificate or certificate of redemption fails to respond to the sheriff's request within seven days, the sheriff may calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a certificate of redemption for that amount. If the time allowed to redeem is less than seven days from the expiration of the redemption period, the sheriff shall make a reasonable effort to request the affidavit of allowable costs in writing from the holder of the sheriff's certificate, its agent, or attorney before issuing a certificate of redemption. If the affidavit of allowable costs is not provided more than one business day before the expiration of the redemption period, at any time one business day or less before the expiration of the redemption period, the sheriff may calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a certificate of redemption for that amount. The amount calculated by the sheriff, absent malfeasance by the sheriff, binds the holder of the sheriff's certificate even if the amount calculated by the sheriff is less than the actual amount due.

EFFECTIVE DATE. This section is effective for affidavits filed with the sheriff after January 1, 2026.

Sec. 13. Minnesota Statutes 2024, section 582.043, subdivision 6, is amended to read:

Subd. 6. **Dual tracking.** (a) If the servicer has received a loss mitigation application and the subject mortgage loan has not already been referred to an attorney for foreclosure, a servicer shall not refer the subject mortgage loan to an attorney for foreclosure while the mortgagor's application is pending, unless:

(1) the servicer determines that the mortgagor is not eligible for any loss mitigation option, the servicer informs the mortgagor of the determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines the loss mitigation offer in writing.

(b) If the servicer receives a loss mitigation application after the subject mortgage loan has been referred to an attorney for foreclosure, but before a foreclosure sale has been scheduled, a servicer shall not move for an order of foreclosure, seek a foreclosure judgment, or conduct a foreclosure sale unless:

(1) the servicer determines that the mortgagor is not eligible for a loss mitigation option, the servicer informs the mortgagor of this determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines a loss mitigation offer in writing.

(c) If the servicer receives a loss mitigation application after the foreclosure sale has been scheduled, but before midnight of the seventh business day prior to the foreclosure sale date, the servicer must halt the foreclosure sale and evaluate the application. If required to halt the foreclosure sale and evaluate the application, the servicer may cancel

the foreclosure sale or postpone the foreclosure sale under section 580.07, subdivision 1, but must not move for an order of foreclosure, seek a foreclosure judgment, or conduct a foreclosure sale unless 60 days have passed since the occurrence of one of the following, whichever is applicable:

(1) the servicer determines that the mortgagor is not eligible for a loss mitigation option, the servicer informs the mortgagor of this determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines a loss mitigation offer in writing.

(d) A servicer shall not move for an order of foreclosure or conduct a foreclosure sale under any of the following circumstances:

(1) the mortgagor is in compliance with the terms of a trial or permanent loan modification, or other loss mitigation option; or

(2) a short sale has been approved by all necessary parties and proof of funds or financing has been provided to the servicer.

ARTICLE 11
CIVIL LAW

Section 1. Minnesota Statutes 2024, section 144.223, is amended to read:

144.223 REPORT OF MARRIAGE.

Data relating to the number of certificates of marriage registered ~~shall~~ must be reported to the state registrar by the local registrar or designee of the county board in each of the 87 registration districts ~~pursuant to the rules of the commissioner. The information in clause (1) necessary to compile the report shall be furnished by the applicant prior to the issuance of the marriage license. The report shall contain the following:~~ in a format and with the frequency determined by the state registrar.

~~(1) personal information on bride and groom:~~

~~(i) name;~~

~~(ii) residence;~~

~~(iii) date and place of birth;~~

~~(iv) if previously married, how terminated; and~~

~~(v) signature of applicant, date signed, and Social Security number; and~~

~~(2) information concerning the marriage:~~

~~(i) date of marriage;~~

~~(ii) place of marriage; and~~

~~(iii) civil or religious ceremony.~~

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

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

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

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

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

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

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

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

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

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

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

(1) a person who is a judge;

(2) a person who is a registered lobbyist;

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

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

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

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

(c) All members shall demonstrate an interest in maintaining a high quality, independent appellate defense system for parents in juvenile protection proceedings who are unable to obtain adequate representation, a robust program for parent attorneys in Minnesota, and an efficient coordination effort, in collaboration with the Department of Children, Youth, and Families, to secure and utilize Title IV-E funding. At least one member of the board

appointed by the governor must be a representative from a federally recognized Indian Tribe. No more than five members of the board may belong to the same political party. At least three members of the board shall be from judicial districts other than the First, Second, Fourth, and Tenth Judicial Districts. To the extent practicable, the membership of the board must include persons with disabilities, reflect the ethnic diversity of the state, take into consideration race and gender, and include persons from throughout the state. The members shall be well acquainted with representing parents in district court and appellate proceedings related to child protection matters as well as the law that affects a parent attorney's work, including chapter 260C, the Rules of Juvenile Protection Procedure, the Rules of Civil Appellate Procedure, the Indian Child Welfare Act, and the Minnesota Indian Family Preservation Act. The terms, compensation, and removal of members shall be as provided in section 15.0575. The governor shall designate one member to serve as the initial chair. Upon the expiration of the initial chair's term, board members shall elect a chair from among the membership and the chair shall serve a term of two years.

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

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

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

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

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

(1) one managing appellate attorney;

(2) two staff attorneys;

(3) one director of training;

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

(5) one office administrator.

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

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

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

Sec. 5. Minnesota Statutes 2024, section 480.35, is amended by adding a subdivision to read:

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

(1) board personnel, including volunteers;

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

(3) court reports filed by guardians ad litem;

(4) cases assigned;

(5) hours worked;

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

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

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

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

Sec. 6. Minnesota Statutes 2024, section 517.04, is amended to read:

517.04 PERSONS AUTHORIZED TO PERFORM CIVIL MARRIAGES.

Civil marriages may be solemnized throughout the state by an individual who has attained the age of 21 years and ~~is a judge of a court of record, a retired judge of a court of record, a court administrator, a retired court administrator with the approval of the chief judge of the judicial district, a former court commissioner who is employed by the court system or is acting pursuant to an order of the chief judge of the commissioner's judicial district, the residential school superintendent of the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, a licensed or ordained minister of any religious denomination, an individual~~ who registers as a civil marriage officiant with a local registrar in a county of this state~~, or by any mode recognized in section 517.18. For purposes of this section, a court of record includes the Office of Administrative Hearings under section 14.48~~. The county where the civil marriage officiant is registered must be endorsed upon and recorded with each certificate of civil marriage.

Sec. 7. Minnesota Statutes 2024, section 517.08, subdivision 1a, is amended to read:

Subd. 1a. **Form.** Application for a civil marriage license shall be made by both of the parties upon a form provided for the purpose and shall contain the following information:

(1) the full names of the parties ~~and the sex of each party~~;

(2) their post office addresses and county and state of residence;

(3) their full ages and dates of birth;

(4) if either party has previously been married, the party's married name~~, and~~ from the most recent marriage; the date, place, and court in which the civil marriage was dissolved or annulled; or the date and place of death of the former spouse;

(5) whether the parties are related to each other, and, if so, their relationship;

(6) the address of the parties after the civil marriage is entered into to which the local registrar shall send a certified copy of the civil marriage certificate;

(7) the full names the parties will have after the civil marriage is entered into and the parties' Social Security numbers. The Social Security numbers must be collected for the application but must not appear on the civil marriage license. If a party listed on a civil marriage application does not have a Social Security number, the party must certify on the application, or a supplement to the application, that the party does not have a Social Security number;

(8) if one party to the civil marriage license has a felony conviction under Minnesota law or the law of another state or federal jurisdiction, the party may not change the party's name through the marriage application process and must follow the process in section 259.13 to change the party's name; and

(9) notice that a party who has a felony conviction under Minnesota law or the law of another state or federal jurisdiction may not use a different name after a civil marriage except as authorized by section 259.13, and that doing so is a gross misdemeanor.

Sec. 8. Minnesota Statutes 2024, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar shall examine upon oath the parties applying for a license relative to the legality of the contemplated civil marriage. The local registrar may examine the parties upon oath in person, by telephone, remotely using web conferencing technology, or by requiring a verified statement signed by both parties attesting to the legality of the marriage. The local registrar may accept civil marriage license applications signed by both parties that are submitted by mail, facsimile, or electronic filing. Both parties must present proof of age to the local registrar. If one party is unable to appear in person, the party appearing may complete the absent applicant's information. The local registrar shall provide a copy of the civil marriage application to the party who is unable to appear, who must verify the accuracy of the appearing party's information in a notarized statement. The verification statement must be accompanied by a copy of proof of age of the party. The civil marriage license must not be released until the verification statement and proof of age has been received by the local registrar. If the local registrar is satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after the civil marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. Except as provided in paragraph (b), The local registrar shall collect from the applicant a fee of $115 for administering the oath, issuing,

recording, and filing all papers required, and preparing and transmitting to the state registrar of vital records the reports of civil marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a civil marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed $1,000.

(b) The civil marriage license fee for parties who have completed at least 12 hours of premarital education is $40. In order to qualify for the reduced license fee, the parties must submit at the time of applying for the civil marriage license a statement that is signed, dated, and notarized or marked with a church seal from the person who provided the premarital education on their letterhead confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize civil marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, ... (name of educator), confirm that ..... (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize civil marriages under Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the civil marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

Sec. 9. Minnesota Statutes 2024, section 517.09, subdivision 1, is amended to read:

Subdivision 1. **General.** ~~No particular form is required to solemnize a civil marriage, except: the parties~~ Both applicants shall declare in the presence of a person who is not the same individual as the applicant or the witness, authorized to solemnize civil marriages and two attending witnesses that each takes the other as spouse~~; or the civil marriage shall be solemnized in a manner provided by section 517.18~~.

Sec. 10. Minnesota Statutes 2024, section 517.10, is amended to read:

517.10 CERTIFICATE; WITNESSES.

The person solemnizing a civil marriage shall ~~prepare~~ complete and sign a marriage certificate provided by the local registrar. The certificate shall contain the full names of the parties before and after the civil marriage, the birth dates of the parties, and county and state of residences of the parties and the date and place of the civil marriage. The certificate shall also contain the signatures of the applicants' legal names after marriage and at least two of the witnesses present at the civil marriage who shall be at least 16 years of age. The person solemnizing the civil marriage shall immediately make a record of such civil marriage, and file such certificate with the local registrar of the county in which the license was issued within five days after the ceremony. The local registrar shall record such certificate in the county civil marriage records.

Sec. 11. **[517.103] AMENDMENT OF MARRIAGE RECORDS.**

(a) To request an amendment of an error in a marriage record, a person must submit the following documentation to the local registrar:

(1) an affidavit stating the reason for an amendment of the marriage record; and

(2) documentation supporting the amendment.

(b) A local registrar may amend a marriage record if the local registrar:

(1) receives an affidavit and documentation supporting the amendment of a marriage record; and

(2) the local registrar determines that the affidavit and supporting documentation establish that the marriage record contains an error.

(c) The local registrar must retain and maintain an affidavit and documentation upon which the amendment of a marriage record was based, including the date of the amendment and the legal name of the authorized person making the amendment.

(d) The local registrar must not amend a marriage record if:

(1) an applicant fails to submit the documentation required for amending a marriage record; or

(2) the local registrar has reason to question the validity or completeness of the applicant's affidavit or supporting documentation.

Sec. 12. Minnesota Statutes 2024, section 518B.01, subdivision 2, is amended to read:

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

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

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

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

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

(b) "Family or household members" means:

(1) spouses and former spouses;

(2) parents and children;

(3) persons related by blood;

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

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

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

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

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

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

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

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

(2) court-ordered parenting time.

Sec. 13. Minnesota Statutes 2024, section 524.5-120, is amended to read:

524.5-120 BILL OF RIGHTS FOR PERSONS SUBJECT TO GUARDIANSHIP OR CONSERVATORSHIP.

The person subject to guardianship or person subject to conservatorship retains all rights not restricted by court order and these rights must be enforced by the court. These rights include the right to:

(1) treatment with dignity and respect;

(2) due consideration of current and previously stated personal desires and preferences, including but not limited to medical treatment preferences, cultural practices, religious beliefs, and other preferences and opinions in decisions made by the guardian or conservator;

(3) participate in decision making about and receive timely and appropriate health care and medical treatment that does not violate known preferences or conscientious, religious, or moral beliefs of the person subject to guardianship or person subject to conservatorship;

(4) exercise control of all aspects of life unless delegated specifically to the guardian or conservator by court order;

(5) guardianship or conservatorship services individually suited to the conditions and needs of the person subject to guardianship or the person subject to conservatorship;

(6) petition the court to prevent or initiate a change in abode;

(7) care, comfort, social and recreational needs, employment and employment supports, training, education, habilitation, and rehabilitation care and services, within available resources;

(8) be consulted concerning, and to decide to the extent possible, the reasonable care and disposition of the clothing, furniture, vehicles, and other personal property and effects of the person subject to guardianship or person subject to conservatorship, to object to the disposition of personal property and effects, and to petition the court for a review of the guardian's or conservator's proposed disposition;

(9) personal privacy;

(10) communicate, visit, or interact with others, including receiving visitors ~~or,~~ making or receiving telephone calls, sending or receiving personal mail, ~~or~~ sending or receiving electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe a restriction of communication, visitation, or interaction is necessary because interaction with the person poses a substantial risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid or mitigate the significant harm. If the guardian believes a restriction is necessary, the guardian must first seek limited restrictions whenever possible, including supervised visits, phone calls, video calls, written correspondence, or limits on the length, frequency, or content of communication. In all cases, the guardian shall provide written notice of the restrictions imposed to the court~~,~~; to the person subject to guardianship~~,~~ and their attorney, if known; and to the person subject to restrictions within 48 hours of imposing the restriction. The notice shall include a description of the reason the restriction is imposed; a description of any limited restrictions attempted; if applicable, the reason the limited restrictions were not sufficient; and instructions on how to seek a modification of the restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(11) marry and procreate, unless court approval is required;

(12) elect or object to sterilization as provided in section 524.5-313, paragraph (c), clause (4), item (iv);

(13) at any time, petition the court for termination or modification of the guardianship or conservatorship, and any decisions made by the guardian or conservator in relation to powers granted, or for other appropriate relief;

(14) be represented by an attorney in any proceeding or for the purpose of petitioning the court;

(15) vote, unless restricted by the court;

(16) be consulted concerning, and make decisions to the extent possible, about personal image and name, unless restricted by the court; and

(17) execute a health care directive, including both health care instructions and the appointment of a health care agent, if the court has not granted a guardian any of the powers or duties under section 524.5-313, paragraph (c), clause (1), (2), or (4).

Sec. 14. Minnesota Statutes 2024, section 524.5-311, is amended to read:

524.5-311 EMERGENCY GUARDIAN.

(a) If the court finds that compliance with the procedures of this article will likely result in substantial harm to the respondent's health, safety, or welfare, and that no other person appears to have authority and willingness to act in the circumstances, the court, on petition by a person interested in the respondent's welfare, may appoint an emergency guardian whose authority may not exceed 60 days and who may exercise only the powers specified in

the order. A county that is acting under section 626.557, subdivision 10, by petitioning for appointment of an emergency guardian on behalf of a vulnerable adult may be granted authority to act for a period not to exceed 90 days. An emergency guardian's appointment under this section may only be extended once for a period not to exceed 60 days if the court finds good cause for the continuation of the guardianship. Immediately upon receipt of the petition for an emergency guardianship, the court shall appoint a lawyer to represent the respondent in the proceeding. Except as otherwise provided in paragraph (b), reasonable notice of the time and place of a hearing on the petition must be given to the respondent; interested parties, if known; and any other persons as the court directs.

(b) An emergency guardian may be appointed without notice to the respondent and the respondent's lawyer only if the court finds from affidavit or other sworn testimony that the respondent will be substantially harmed before a hearing on the appointment can be held and the petitioner made good faith efforts to provide notice to the respondent or the respondent's lawyer. If the court appoints an emergency guardian without notice to the respondent, the respondent must be given notice of the appointment within 48 hours after the appointment. The court shall hold a hearing on the appropriateness of the appointment within five days after the appointment.

(c) Appointment of an emergency guardian, with or without notice, is not a determination of the respondent's incapacity.

(d) The court may remove an emergency guardian at any time. An emergency guardian shall make any report the court requires. In other respects, the provisions of this article concerning guardians apply to an emergency guardian.

(e) Any documents or information disclosing or pertaining to health or financial information shall be filed as confidential documents, consistent with the bill of particulars under section 524.5-121.

(f) The mere fact that the respondent is a patient in a hospital or a resident of a facility is not in and of itself sufficient evidence to support a risk of substantial harm to the respondent's health, safety, or welfare.

Sec. 15. Minnesota Statutes 2024, section 524.5-313, is amended to read:

524.5-313 POWERS AND DUTIES OF GUARDIAN.

(a) A guardian shall be subject to the control and direction of the court at all times and in all things.

(b) The court shall grant to a guardian only those powers necessary to provide for the demonstrated needs of the person subject to guardianship.

(c) The court may appoint a guardian if it determines that all the powers and duties listed in this section are needed to provide for the needs of the incapacitated person. The court may also appoint a guardian if it determines that a guardian is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this section. The duties and powers of a guardian or those which the court may grant to a guardian include, but are not limited to:

(1) the power to have custody of the person subject to guardianship and the power to establish a place of abode within or outside the state, except as otherwise provided in this clause. The person subject to guardianship or any interested person may petition the court to prevent or to initiate a change in abode. A person subject to guardianship may not be admitted to a regional treatment center by the guardian except:

(i) after a hearing under chapter 253B;

(ii) for outpatient services; or

(iii) for the purpose of receiving temporary care for a specific period of time not to exceed 90 days in any calendar year;

(2) the duty to provide for the care, comfort, and maintenance needs of the person subject to guardianship, including food, clothing, shelter, health care, social and recreational requirements, and, whenever appropriate, training, education, and habilitation or rehabilitation. The guardian has no duty to pay for these requirements out of personal funds. Whenever possible and appropriate, the guardian should meet these requirements through governmental benefits or services to which the person subject to guardianship is entitled, rather than from the estate of the person subject to guardianship;

(3) the duty to take reasonable care of the clothing, furniture, vehicles, and other personal effects of the person subject to guardianship, and, if other property requires protection, the power to seek appointment of a conservator of the estate. The guardian must give notice by mail to interested persons prior to the disposition of the clothing, furniture, vehicles, or other personal effects of the person subject to guardianship. The notice must inform the person of the right to object to the disposition of the property within ten days of the date of mailing and to petition the court for a review of the guardian's proposed actions. Notice of the objection must be served by mail or personal service on the guardian and the person subject to guardianship unless the person subject to guardianship is the objector. The guardian served with notice of an objection to the disposition of the property may not dispose of the property unless the court approves the disposition after a hearing;

(4)(i) the power to give any necessary consent to enable the person subject to guardianship to receive necessary medical or other professional care, counsel, treatment, or service, except that no guardian may give consent for psychosurgery, electroshock, sterilization, or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause. The guardian shall not consent to any medical care for the person subject to guardianship which violates the known conscientious, religious, or moral belief of the person subject to guardianship;

(ii) a guardian who believes a procedure described in item (i) requiring prior court approval to be necessary for the proper care of the person subject to guardianship, shall petition the court for an order and, in the case of a public guardianship under chapter 252A, obtain the written recommendation of the commissioner of human services. The court shall fix the time and place for the hearing and shall give notice to the person subject to guardianship in such manner as specified in section 524.5-308 and to interested persons. The court shall appoint an attorney to represent the person subject to guardianship who is not represented by counsel, provided that such appointment shall expire upon the expiration of the appeal time for the order issued by the court under this section or the order dismissing a petition, or upon such other time or event as the court may direct. In every case the court shall determine if the procedure is in the best interest of the person subject to guardianship. In making its determination, the court shall consider a written medical report which specifically considers the medical risks of the procedure, whether alternative, less restrictive methods of treatment could be used to protect the best interest of the person subject to guardianship, and any recommendation of the commissioner of human services for a public person subject to guardianship. The standard of proof is that of clear and convincing evidence;

(iii) in the case of a petition for sterilization of a person with developmental disabilities subject to guardianship, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of developmental disability, and a social worker who is familiar with the social history and adjustment of the person subject to guardianship or the case manager for the person subject to guardianship to examine or evaluate the person subject to guardianship and to provide written reports to the court. The reports shall indicate why sterilization is being proposed, whether sterilization is necessary and is the least intrusive method for alleviating the problem presented, and whether it is in the best interest of the person subject to guardianship. The medical report shall specifically consider the medical risks of sterilization, the consequences of not performing the sterilization, and whether alternative methods of contraception could be used to protect the best interest of the person subject to guardianship;

(iv) any person subject to guardianship whose right to consent to a sterilization has not been restricted under this section or section 252A.101 may be sterilized only if the person subject to guardianship consents in writing or there is a sworn acknowledgment by an interested person of a nonwritten consent by the person subject to guardianship. The consent must certify that the person subject to guardianship has received a full explanation from a physician or registered nurse of the nature and irreversible consequences of the sterilization;

(v) a guardian or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under section 252A.101, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including, but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or the public guardian's designee has consented;

(5) in the event there is no duly appointed conservator of the estate of the person subject to guardianship, the guardian shall have the power to approve or withhold approval of any contract, except for necessities, which the person subject to guardianship may make or wish to make;

(6) the duty and power to exercise supervisory authority over the person subject to guardianship in a manner which limits civil rights and restricts personal freedom only to the extent necessary to provide needed care and services. A guardian may not restrict the ~~ability~~ right of the person subject to guardianship to communicate, visit, or interact with others pursuant to section 524.5-120, clause (10), including receiving visitors ~~or~~, making or receiving telephone calls, sending or receiving personal mail, ~~or~~ sending or receiving electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe a restriction of communication, visitation, or interaction is necessary because interaction with the person poses a substantial risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid or mitigate such significant harm. If the guardian believes a restriction is necessary, the guardian must first seek limited restrictions whenever possible, including supervised visits, phone calls, video calls, written correspondence, or limits on the length, frequency, or content of communication. In all cases, the guardian shall provide written notice of the restrictions imposed to the court~~,~~; to the person subject to guardianship~~,~~ and their attorney, if known; and to the person subject to restrictions within 48 hours of imposing the restriction. The notice shall include a description of the reason the restriction is imposed; a description of any limited restrictions attempted; if applicable, the reason the limited restrictions were not sufficient; and instructions on how to seek a modification of the restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(7) if there is no acting conservator of the estate for the person subject to guardianship, the guardian has the power to apply on behalf of the person subject to guardianship for any assistance, services, or benefits available to the person subject to guardianship through any unit of government;

(8) unless otherwise ordered by the court, the person subject to guardianship retains the right to vote;

(9) the power to establish an ABLE account for a person subject to guardianship or conservatorship. By this provision a guardian only has the authority to establish an ABLE account, but may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney; conservator; spouse; parent; sibling; grandparent; or representative payee, whether an individual or organization, appointed by the SSA, in that order; and

(10) if there is no conservator appointed for the person subject to guardianship, the guardian has the duty and power to institute suit on behalf of the person subject to guardianship and represent the person subject to guardianship in expungement proceedings, harassment proceedings, and all civil court proceedings, including but not limited to restraining orders, orders for protection, name changes, conciliation court, housing court, family court, probate court, and juvenile court, provided that a guardian may not settle or compromise any claim or debt owed to the estate without court approval.

Sec. 16. **[609.2334] ORDER FOR PROTECTION AGAINST FINANCIAL EXPLOITATION OF A VULNERABLE ADULT.**

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

(b) "Conservator" has the meaning given in section 524.5-102, subdivision 3.

(c) "Financial exploitation" has the meaning given in section 626.5572, subdivision 9.

(d) "Guardian" has the meaning given in section 524.5-102, subdivision 5.

(e) "Lead investigative agency" has the meaning given in section 626.5572, subdivision 13.

(f) "Petitioner" means any of the following:

(1) a vulnerable adult currently experiencing or in imminent danger of financial exploitation;

(2) the guardian or conservator of a vulnerable adult currently experiencing or in imminent danger of financial exploitation;

(3) a person or organization acting on behalf of the vulnerable adult with the consent of the vulnerable adult or his or her guardian or conservator;

(4) an agent under a validly executed power of attorney with the authority specifically granted in the power of attorney; or

(5) a person who simultaneously files a petition under section 524.5-409, subdivision 2, for appointment of an emergency conservator with respect to the vulnerable adult.

(g) "Vulnerable adult" has the meaning given in section 626.5572, subdivision 21.

Subd. 2. **Jurisdiction; petition.** (a) A petitioner may petition the court for an order for protection against financial exploitation of a vulnerable adult seeking injunctive relief and any other equitable remedy the court deems appropriate with the court located in the county where the petitioner, respondent, or the vulnerable adult resides. There are no residency requirements that apply to a petition filed under this section. Actions under this section shall be given docket priorities by the court.

(b) A petition for relief under this section must:

(1) allege the existence of financial exploitation, or the imminent danger of financial exploitation, of the vulnerable adult;

(2) include the specific facts and circumstances for which relief is sought, including the relationship between the vulnerable adult and respondent;

(3) state whether the vulnerable adult has ever applied for or received an order for protection under this section or section 518B.01, or a restraining order under section 609.748; and

(4) state whether there are any pending actions between the vulnerable adult and the respondent.

(c) A person temporarily or permanently vacating a residence or household in an attempt to avoid financial exploitation does not affect the person's right to petition for an order under this section.

(d) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

Subd. 3. **Filing fee.** The filing fees for an order for protection against financial exploitation for a vulnerable adult under this section are waived for the petitioner and respondent.

Subd. 4. **Hearing.** Upon receipt of the petition, the court shall order a hearing which shall be held no later than 14 days from the date of the order for the hearing unless a temporary ex parte order is issued under subdivision 8. If the court issues a temporary ex parte order, the hearing must be held as provided under subdivision 8.

Subd. 5. **Service.** (a) Except as provided in paragraph (b), the petition and any order issued under this section must be served on the respondent as provided in section 518B.01, subdivisions 8, 8a, and 9a. If the petitioner is not the vulnerable adult, the petitioner must serve the vulnerable adult with a copy of the petition, notice of any hearing, and any orders issued under this section. If any assets or lines of credit are ordered to be frozen, the petitioner must serve the depository or financial institution with the order.

(b) If service on the respondent is not possible as provided in paragraph (a), the petitioner may serve the respondent through the method used to contact the vulnerable adult. The petitioner must provide to the court the reasons that service was not possible under section 518B.01, subdivision 8, 8a, or 9a.

Subd. 6. **Maltreatment report required.** Unless a report was made before a petition was filed under this section, the petitioner must file a report pursuant to section 626.557 within 24 hours of filing a petition under this section. This section does not modify or supersede mandated reporting requirements under section 626.557.

Subd. 7. **Factors.** In determining whether to award relief to the petitioner, the court may consider and evaluate all relevant factors, including any of the following:

(1) the existence of a current or previous order for protection issued under this section or section 518B.01, a current or previous harassment restraining order issued under section 609.748, or any previous or current similar order issued by another jurisdiction;

(2) any history of financial exploitation by the respondent upon the vulnerable adult identified in the petition or any other vulnerable adult;

(3) any history of the vulnerable adult's previous financial exploitation by the respondent or any other person;

(4) the capacity of the vulnerable adult to make decisions related to their finances and property;

(5) the susceptibility of the vulnerable adult to undue influence; or

(6) the respondent's criminal history.

Subd. 8. **Temporary ex parte order.** (a) The court may issue a temporary order for protection ex parte if the court finds that:

(1) there is an immediate and present danger of financial exploitation of the vulnerable adult;

(2) there is a likelihood of irreparable harm and nonavailability of an adequate remedy at law;

(3) there is a substantial likelihood of success on the merits;

(4) the threatened injury to the vulnerable adult outweighs possible harm to the respondent; and

(5) a temporary order protects the vulnerable adult's financial security.

(b) A denial of a petition for an ex parte order must be by written order and must note the grounds for denial. When the only ground for denial is failure to demonstrate the immediate and present danger of financial exploitation of a vulnerable adult, the court must set a full hearing on the petition for an order for protection at the earliest possible date and within 14 days of the date of the court's denial order. Nothing in this paragraph limits a petitioner's right to promptly amend a petition consistent with court rules.

(c) An ex parte temporary order may be effective for a fixed period not to exceed 14 days unless good cause is shown to extend the order. The ex parte temporary order may be extended once for up to an additional 14 days. A full hearing, as provided by this section, must be set for a date no later than the date when the ex parte temporary order expires.

Subd. 9. **Relief.** (a) The court may grant relief as provided under this section, if upon notice and hearing and consideration of all relevant factors, the court finds that:

(1) the vulnerable adult is the victim of financial exploitation or the vulnerable adult is in imminent danger of becoming a victim of financial exploitation;

(2) there is a likelihood of irreparable harm and nonavailability of an adequate remedy at law;

(3) the threatened injury to the vulnerable adult outweighs possible harm to the respondent; and

(4) an order protects the vulnerable adult's financial security.

(b) In addition to any other injunctive or equitable relief the court deems appropriate, the court may grant any or all of the following relief in either a temporary ex parte or final order issued under this section:

(1) prohibit the respondent from direct or indirect contact with the vulnerable adult;

(2) restrain the respondent from committing any acts of financial exploitation against the vulnerable adult;

(3) hold financial accounts in accordance with chapter 45A or freeze any assets of the vulnerable adult in any depository or financial institution whether titled solely in the vulnerable adult's name, solely in the respondent's name, jointly with the respondent, in conservatorship, or in a trust, provided that:

(i) assets held by a conservator for the vulnerable adult may be frozen only by an order entered by the court overseeing the conservatorship proceeding;

(ii) assets held by a trust may be frozen only by an order of the court if all the trustees of the trust are served with process and are given reasonable notice before any hearing on the petition; and

(iii) assets held solely in the name of the respondent may only be frozen on an ex parte basis if the petition and affidavit demonstrate to the court probable cause that such assets are traceable to the financial exploitation of the vulnerable adult, that such assets are likely to be returned to the vulnerable adult after a final evidentiary hearing, and that no other adequate remedy at law is reasonably available;

(4) freeze any line of credit of the vulnerable adult at any depository or financial institution whether listed solely in the vulnerable adult's name or jointly with the respondent, provided that:

(i) lines of credit held by a conservator for the vulnerable adult may be frozen only by an order entered by the court overseeing the conservatorship proceeding; and

(ii) lines of credit held by a trust may be frozen only by an order of the court if all the trustees of the trust are served with process and are given reasonable notice before any hearing on the petition;

(5) if the court has ordered an asset and credit freeze, ordering that living expenses of the vulnerable adult continue to be paid;

(6) award to the vulnerable adult the temporary exclusive use and possession of the dwelling that the vulnerable adult and the respondent share or bar the respondent from the residence of the vulnerable adult;

(7) provide necessary directives to law enforcement agencies; and

(8) provide any terms the court deems necessary for the protection of the vulnerable adult or the vulnerable adult's assets.

Subd. 10. **Modifying or vacating an order; extensions and subsequent orders.** Upon application and notice to all parties as required under this section, the court may vacate an order, modify the terms of an existing order for protection, extend relief granted in an existing order for protection, or, if an order for protection has expired, issue a new order.

Subd. 11. **Copy to law enforcement agency; lead investigative agency.** Within 24 hours of issuance of an order or continuance of an order under this section, the court administrator must forward the order for protection and any continuance of the order for protection to the local law enforcement agency with jurisdiction over the residence of the vulnerable adult and the lead investigative agency that received the report pursuant to subdivision 6. Section 518B.01, subdivision 13, applies to orders granted under this section.

Subd. 12. **Title to real property.** Nothing in this section affects title to real property.

Subd. 13. **Violation of an order for protection.** (a) A person is guilty of a misdemeanor if the person:

(1) knows of the existence of an order for protection issued under this section;

(2) is prohibited from direct or indirect contact with a vulnerable adult or restrained from committing any acts of financial exploitation against a vulnerable adult as provided in subdivision 9, paragraph (b); and

(3) violates the order by committing such conduct.

(b) A person who violates paragraph (a) within ten years of a previous conviction or adjudication of delinquency for a violation of this subdivision or section 609.2335, is guilty of a gross misdemeanor.

(c) A person who violates paragraph (a) within ten years of the first of two or more previous convictions or adjudications of delinquency for a violation of this subdivision or section 609.2335, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

Subd. 14. **Admissibility of testimony in criminal proceeding.** Any testimony offered by a respondent in a hearing pursuant to this section is inadmissible in a criminal proceeding.

Subd. 15. **Other remedies available.** Any proceeding under this section shall be in addition to other civil or criminal remedies.

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

Sec. 17. Minnesota Statutes 2024, section 611.45, subdivision 3, is amended to read:

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

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

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

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

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

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

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

Sec. 18. Minnesota Statutes 2024, section 611.46, subdivision 2, is amended to read:

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

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

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

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

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

Sec. 19. Minnesota Statutes 2024, section 611.49, subdivision 2, is amended to read:

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

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

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

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

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

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

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

Sec. 20. Minnesota Statutes 2024, section 611.49, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

Sec. 21. Minnesota Statutes 2024, section 611.55, subdivision 3, is amended to read:

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

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

(1) developing bridge plans;

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

(3) coordinating timely placement in court-ordered competency attainment programs;

(4) providing competency attainment education;

(5) reporting to the court on the progress of defendants found incompetent to stand trial;

(6) providing coordinating services to help defendants access mental health services, medical care, stable housing and housing assistance, financial assistance, social services, transportation, precharge and pretrial diversion, and other necessary services provided by other programs and community service providers;

(7) communicating with and offering supportive resources to defendants and family members of defendants; and

(8) providing consultation and education to court officials on emerging issues and innovations in serving defendants with mental illnesses in the court system.

(c) When ordered to ~~supervise a defendant, a forensic navigator shall report to the court on~~ monitor a defendant's compliance or noncompliance with conditions of ~~pretrial supervision and any order of the court~~ release under section 611.46, subdivision 2, paragraph (b), the forensic navigator shall provide updates to the court on a regular basis or when requested by the court or either party.

(d) If a defendant's charges are dismissed, the appointed forensic navigator may continue assertive outreach with the individual for up to 90 days to assist in attaining stability in the community.

Sec. 22. Minnesota Statutes 2024, section 611.56, subdivision 1, is amended to read:

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

(1) three members appointed by the supreme court, at least one of whom must be a defense attorney, one a county attorney, and one public member; and

(2) four members appointed by the governor, at least one of whom must be a mental health professional with experience in competency attainment.

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

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

Sec. 23. Minnesota Statutes 2024, section 611.59, subdivision 1, is amended to read:

Subdivision 1. **Availability and certification.** The board ~~must~~ will use available resources to provide ~~or contract for enough~~ competency attainment services to meet the needs of adult defendants in each judicial district who are found incompetent to proceed and do not have access to competency attainment services as a part of any other programming in which they are ordered to participate. The board, in consultation with the Certification Advisory Committee, shall develop procedures to certify that the standards in this section are met, including procedures for regular recertification of competency attainment programs. The board shall maintain a list of programs it has certified on the board's website and shall update the list of competency attainment programs at least once every year.

Sec. 24. Minnesota Statutes 2024, section 611.59, subdivision 4, is amended to read:

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

(1) the total number of competency examinations ordered in each judicial district separated by county;

(2) the age, race, and number of unique defendants and for whom at least one competency examination was ordered in each judicial district separated by county;

(3) the age, race, and number of unique defendants found incompetent at least once in each judicial district separated by county; and

(4) all available data on the level of charge and adjudication of cases with a defendant found incompetent ~~and whether a forensic navigator was assigned to the case~~.

(b) By February 15 of each year, the board must report to the legislative committees and divisions with jurisdiction over human services, public safety, and the judiciary on the data collected under this subdivision and may include recommendations for statutory or funding changes related to competency attainment.

Sec. 25. **REPEALER.**

Minnesota Statutes 2024, sections 517.05; and 517.18, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; providing for certain policy for the judiciary, courts, public safety, crime, corrections, data practices, and civil law; providing for crime victims policy; modifying certain financial crimes and fraud investigations law; modifying certain crime victims policy; modifying certain mortgage foreclosure policy; modifying certain statutes of limitation; modifying certain fees; providing for grants; providing for a task force; providing for reports; establishing criminal penalties; establishing Minnesota victims of crime account; appropriating money for judiciary, public safety, corrections, Board of Civil Legal Aid, Guardian ad Litem Board, Tax Court, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Human Rights, Office of Appellate Counsel and Training, Minnesota Competency Attainment Board, Cannabis Expungement Board, Secretary of State, Sentencing Guidelines, Peace Officer Standards and Training (POST) Board, Private Detective Board, Ombudsperson for Corrections, Clemency Review Commission, and Office of Higher Education; amending Minnesota Statutes 2024, sections 13.03, subdivisions 3, 6; 13.32, subdivisions 2, 5; 13.43, subdivision 2; 13.82, subdivision 1; 13.821; 13.825, subdivision 4; 13.991; 43A.17, subdivision 13; 45.0135, subdivisions 2b, 6, 7, 8, 9, by adding a subdivision; 60A.951, subdivision 2; 60A.952, subdivisions 2, 4, 5; 60A.954, subdivision 2; 60A.956; 65B.84; 121A.038, subdivision 7; 121A.06; 144.223; 144.296; 144E.123, subdivision 3; 152.021,

subdivision 2; 152.022, subdivision 2; 152.023, subdivision 2; 152.025, subdivision 2; 152.137, subdivisions 1, 2; 241.01, subdivision 3a; 241.021, subdivision 1, by adding a subdivision; 241.80; 244.18, subdivisions 1, 7, 9; 244.19, subdivisions 1c, 1d, 5, 5a; 244.20; 244.41, subdivision 6; 244.44; 244.46, subdivision 1; 246B.04, subdivision 2; 260C.419, subdivisions 2, 3, 4; 268.19, subdivision 1; 268B.30; 272.45; 297I.11, subdivision 2; 299C.055; 299C.40, subdivision 1; 299C.52, subdivision 1; 299C.80, subdivision 6; 299F.47, subdivision 2; 326.338, subdivision 4; 357.021, subdivision 2; 388.23, subdivision 1; 401.03; 401.10, subdivisions 1, 4, by adding a subdivision; 401.11, subdivision 1; 401.14; 401.15, subdivision 2; 401.17, subdivisions 1, 5; 480.243, by adding a subdivision; 480.35, by adding a subdivision; 480.40, subdivisions 1, 3; 480.45, subdivision 2; 484.44; 484.51; 517.04; 517.08, subdivisions 1a, 1b, 1c; 517.09, subdivision 1; 517.10; 518.68, subdivision 1; 518B.01, subdivision 2; 524.5-120; 524.5-311; 524.5-313; 524.5-420; 580.07, subdivisions 1, 2; 580.10; 580.225; 580.24; 580.25; 580.26; 580.28; 581.02; 582.03, subdivisions 1, 2; 582.043, subdivision 6; 595.02, subdivision 1; 609.101, subdivision 2; 609.2231, subdivision 2; 609.2232; 609.322, subdivision 1; 609.527, subdivision 3; 609.531, subdivision 1; 609.593, subdivision 1; 609.78, subdivision 2c; 611.24, subdivision 4; 611.45, subdivision 3; 611.46, subdivision 2; 611.49, subdivisions 2, 3; 611.55, subdivision 3; 611.56, subdivision 1; 611.59, subdivisions 1, 4; 611A.02; 611A.0315; 611A.06, by adding a subdivision; 611A.90; 617.246, subdivisions 1, 2, 3, 4, 6; 617.247; 624.714, subdivision 7a; 626.05, subdivision 2; 626.19, subdivision 3; 626.84, subdivision 1; 626A.35, subdivision 2b, by adding a subdivision; 628.26; 629.341, subdivision 3; 634.35; Laws 2023, chapter 52, article 2, section 3, subdivisions 2, 3, 8, as amended; article 4, section 24, subdivision 7, as amended; article 11, section 31; Laws 2023, chapter 68, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; 241; 299A; 299C; 401; 480; 517; 609; 617; 626; repealing Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, 5; 253.21; 253.23; 325E.21, subdivision 2b; 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; 325F.07; 517.05; 517.18."

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

House Conferees: PAUL NOVOTNY, KELLY MOLLER, PEGGY SCOTT and TINA LIEBLING

Senate Conferees: RON LATZ, CLARE OUMOU VERBETEN, JUDY SEEBERGER, BONNIE WESTLIN and DORON CLARK

Novotny moved that the report of the Conference Committee on H. F. No. 2432 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2432, A bill for an act relating to state government; providing for judiciary, public safety, corrections, and government data practices policy; establishing Minnesota victims of crime account; modifying certain fees; establishing monetary assessments for certain corporate and individual offender convictions; transferring financial crimes and fraud investigations to the Financial Crimes and Fraud Section in the Bureau of Criminal Apprehension; clarifying Tribal Nation access and use of community services subsidy; amending real property judicial foreclosure law; providing for reports; transferring funds to the Minnesota victims of crime account; reducing certain appropriations; appropriating money for the supreme court, court of appeals, district courts, Board of Civil Legal Aid, State Guardian ad Litem Board, tax court, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Human Rights, Office of Appellate Counsel and Training, Competency Attainment Board, Cannabis Expungement Board, Secretary of State, Sentencing Guidelines Commission, public safety, Peace Officer Standards and Training (POST) Board, Private Detective Board, corrections, ombudsperson for corrections, Clemency Review Commission, children, youth, and families, and the Office of Higher Education; amending Minnesota Statutes 2024, sections 13.03, subdivision 3; 13.32, subdivisions 2, 5; 13.43, subdivision 2; 13.82, subdivision 1; 13.991; 43A.17, subdivision 13; 45.0135, subdivisions 2b, 6, 7, 8, 9, by adding a subdivision; 60A.951, subdivision 2; 60A.952,

subdivisions 2, 4, 5; 60A.954, subdivision 2; 60A.956; 65B.84; 142A.76, subdivision 8; 144E.123, subdivision 3; 152.137, subdivisions 1, 2; 171.187, subdivisions 1, 3; 244.18, subdivisions 1, 7, 9; 244.19, subdivisions 1c, 1d, 5, 5a; 244.20; 260C.419, subdivisions 2, 3, 4; 268.19, subdivision 1; 268B.30; 297I.11, subdivision 2; 299A.01, by adding a subdivision; 299C.40, subdivision 1; 299F.47, subdivision 2; 401.03; 401.10, subdivision 1, by adding a subdivision; 401.11, subdivision 1; 401.14; 401.15, subdivision 2; 480.243, by adding a subdivision; 480.35, by adding a subdivision; 480.40, subdivisions 1, 3; 480.45, subdivision 2; 484.44; 484.51; 517.08, subdivisions 1b, 1c; 518.68, subdivision 1; 518B.01, subdivision 2; 524.5-420; 580.07, subdivisions 1, 2; 581.02; 595.02, by adding a subdivision; 609.2232; 609.322, subdivision 1; 609.531, subdivision 1; 609.78, subdivision 2c; 611.45, subdivision 3; 611.46, subdivision 2; 611.49, subdivisions 2, 3; 611.55, subdivision 3; 611.56, subdivision 1; 611.59, subdivisions 1, 4; 626.05, subdivision 2; 626.84, subdivision 1; 626.8516, subdivisions 4, 5, 6; 628.26; 629.344; Laws 2023, chapter 52, article 2, section 3, subdivision 3; article 11, section 31; proposing coding for new law in Minnesota Statutes, chapters 13; 241; 299A; 299C; 401; 480; 609; repealing Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, 5; 325E.21, subdivision 2b.

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 131 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Fogelman	Roach	Robbins

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

MOTIONS AND RESOLUTIONS

MOTION TO TAKE FROM THE TABLE

Igo moved that the Igo motion, laid on the table earlier today, that H. F. No. 3023 be placed on and be considered first on the Calendar for the Day be taken from the table.

A roll call was requested and properly seconded.

The question was taken on the Igo motion and the roll was called. There were 67 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Allen	Dippel	Igo	Myers	Roach	Van Binsbergen
Altendorf	Dotseth	Jacob	Nadeau	Robbins	Warwas
Anderson, P. E.	Duran	Johnson, W.	Nash	Rymer	West
Anderson, P. H.	Engen	Joy	Nelson	Schomacker	Wiener
Backer	Fogelman	Knudsen	Niska	Schultz	Witte
Bakeberg	Franson	Koznick	Novotny	Schwartz	Zeleznikar
Baker	Gander	Kresha	O'Driscoll	Scott	Spk. Demuth
Bennett	Gillman	Lawrence	Olson	Sexton	
Bliss	Gordon	McDonald	Perryman	Skraba	
Burkel	Harder	Mekeland	Quam	Stier	
Davids	Heintzeman	Mueller	Rarick	Swedzinski	
Davis	Hudson	Murphy	Repinski	Torkelson	

Those who voted in the negative were:

Acomb	Feist	Hemmingsen-Jaeger	Keeler	Moller	Stephenson
Agbaje	Finke	Her	Klevorn	Momanyi-Hiltsley	Tabke
Bahner	Fischer	Hicks	Koegel	Noor	Vang
Berg	Frazier	Hill	Kotyza-Witthuhn	Norris	Virnig
Bierman	Frederick	Hollins	Kozlowski	Pérez-Vega	Wolgamott
Carroll	Freiberg	Hortman	Kraft	Pinto	Xiong
Cha	Gomez	Howard	Lee, F.	Pursell	Youakim
Clardy	Gottfried	Huot	Lee, K.	Rehm	
Coulter	Greene	Hussein	Liebling	Rehrauer	
Curran	Greenman	Johnson, P.	Lillie	Reyer	
Elkins	Hansen, R.	Jones	Long	Sencer-Mura	
Falconer	Hanson, J.	Jordan	Mahamoud	Smith	

The motion did not prevail.

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.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 2563

A bill for an act relating to legacy; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; extending prior appropriations; providing for leveraging federal grant money; modifying reporting requirements; modifying accountability provisions; amending Minnesota Statutes 2024, sections 97A.056, by adding a subdivision; 114D.30, subdivision 7; 129D.17, subdivision 2, by adding a subdivision; Laws 2023, chapter 40, article 4, section 2, subdivision 6.

May 18, 2025

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. 2563 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. 2563 be further amended as follows:

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**	**$162,111,000**	**$775,000**

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** 33,432,000 -0-

(a) Martin County DNR WMA Acquisition, Phase 9

$1,332,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and restore and enhance strategic prairie grassland, wetland, and other wildlife habitat in Martin County for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, as follows: $970,000 to Fox Lake Conservation League, Inc., $327,000 to Ducks Unlimited, and $35,000 to the Conservation Fund.

(b) Prairie Chicken Habitat Partnership of the Southern Red River Valley, Phase 11

$3,607,000 the first 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 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 acquisitions of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(c) RIM Grasslands Reserve, Phase 6

$3,375,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore and enhance grassland habitat under Minnesota Statutes, sections 103F.501 to 103F.531. 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.

(d) RIM Buffers for Wildlife and Water, Phase 11

$4,000,000 the first 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.

(e) Accelerating the Wildlife Management Area Program, Phase 17

$4,863,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and 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 acquisition of 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 14

$2,433,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land in fee and 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 with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days following the close of The Nature Conservancy's fiscal year. A list of proposed land acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan and must be consistent with the priorities identified in Minnesota Prairie Conservation Plan.

(g) Northern Tallgrass Prairie National Wildlife Refuge, Phase 15

$3,658,000 the first 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 for addition 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.

(h) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase 17

$1,916,000 the first 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 acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(i) Enhanced Public Land - Grasslands, Phase 8

$3,440,000 the first 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.

(j) Accelerating the USFWS Habitat Conservation Easement Program, Phase 5

$4,808,000 the first 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: $3,100,000 to Ducks Unlimited and $1,708,000 to Pheasants Forever.

Subd. 3. **Forests** 19,958,000 -0-

(a) Minnesota Forest Recovery Project, Phase 3

$3,464,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the Department of Natural Resources and Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance degraded forests in Beltrami, Cass, Cook, Itasca, Lake, Koochiching, and St. Louis Counties. Of this amount, up to $84,000 is to the easement holder to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(b) Itasca County Memorial Forest Project

$2,720,000 the first year is to the commissioner of natural resources for an agreement with Itasca County to acquire priority forest habitat lands in fee as county forests.

(c) Hardwood Hills Habitat Conservation Program, Phase 2

$1,803,000 the first 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: $100,000 to St. John's University and $1,703,000 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.

(d) Camp Ripley Sentinel Landscape Protection Program ACUB, Phase 13

$2,183,000 the first year is to the Board of Water and Soil Resources, in cooperation with the Morrison County Soil and Water Conservation District, to acquire permanent conservation easements and to restore and enhance forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Sentinel Landscape and Army Compatible Use Buffer. Of this amount, up to $110,000 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.

(e) Minnesota Forests for the Future, Phase 5

$5,241,000 the first year is to the commissioner of natural resources to acquire lands in conservation easements and to restore and enhance forests, wetlands, and shoreline habitat through working forest permanent conservation easements under the Minnesota forests for the future program according to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with Minnesota Statutes, section 97A.056, subdivision 13. The accomplishment plan must include an easement monitoring and enforcement plan. Of this amount, up to $400,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(f) DNR Forest Habitat Enhancement, Phase 5

$2,543,000 the first year is to the commissioner of natural resources to restore and enhance forest wildlife habitats on public lands throughout Minnesota.

(g) Moose Habitat Collaborative - Northeast Minnesota Forest Habitat Enhancement, Phase 5

$2,004,000 the first year is to the commissioner of natural resources for an agreement with the Ruffed Grouse Society to restore and enhance public forest lands in the northern forest region for moose habitat purposes.

Subd. 4. **Wetlands** 29,032,000 -0-

(a) Wetland Habitat Protection and Restoration Program, Phase 10

$2,853,000 the first 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 habitats 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 $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.

(b) Shallow Lake and Wetland Protection and Restoration Program, Phase 14

$5,673,000 the first 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.

(c) RIM Wetlands - Restoring the Most Productive Habitat in Minnesota, Phase 14

$4,291,000 the first 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 $70,000 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.

(d) Accelerating the Waterfowl Production Area Acquisition Program, Phase 17

$5,121,000 the first 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.

(e) Nelson Slough - East Park Wildlife Management Area, Phase 2

$1,543,000 the first year is to the commissioner of natural resources for an agreement with the Middle-Snake-Tamarac Rivers Watershed District to restore and enhance wetland and upland wildlife habitat in Nelson Slough and the East Park Wildlife Management Area in Marshall County.

(f) Living Shallow Lakes and Wetlands Enhancement and Restoration Initiative, Phase 11

$5,601,000 the first 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.

(g) Big Swamp North

$1,442,000 the first year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance wetland, stream, and other related wildlife habitat on public lands in the Big Swamp area in Roseau County.

(h) DNR Accelerated Shallow Lakes and Wetland Enhancement, Phase 17

$2,508,000 the first year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide.

Subd. 5. **Habitats** 77,646,000 -0-

(a) Cannon River Watershed Habitat Restoration and Protection Program, Phase 14

$2,663,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and to restore and enhance wildlife habitat in the Cannon River Watershed as follows: $62,000 to Clean River Partners; $1,198,000 to Great River Greening; and $1,403,000 to the Trust for Public Land.

(b) Spring Road Conservation Project

$1,982,000 the first year is to the commissioner of natural resources for an agreement with the Riley Purgatory Bluff Creek Watershed District to acquire priority wildlife habitat lands in fee in Hennepin County.

(c) Anoka Sand Plain Habitat Conservation, Phase 10

$3,518,000 the first year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance wildlife habitat on public lands and easements in the Anoka Sand Plain ecoregion and intersecting minor watersheds as follows: $553,000 to Anoka Conservation District; $1,385,000 to Great River Greening; $300,000 to The Nature Conservancy; and $1,280,000 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.

(d) Integrating Habitat and Clean Water, Phase 3

$2,691,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore and enhance wildlife habitat identified in One Watershed, One Plan for stacked benefit to wildlife and clean water. Of this amount, up to $80,000 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.

(e) St. Croix Watershed Habitat Protection and Restoration, Phase 6

$3,184,000 the first 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 in the St. Croix River Watershed as follows: $1,199,000 to the Trust for Public Land; $121,000 to Wild Rivers Conservancy; and $1,864,000 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.

(f) Mississippi Headwaters Habitat Corridor Project, Phase 9

$2,769,000 the first year is to acquire lands in fee and permanent conservation easements and to restore wildlife habitat in the Mississippi headwaters. Of this amount: (1) $1,769,000 is to the

commissioner of natural resources for agreements as follows: $60,000 to the Mississippi Headwaters Board and $1,709,000 to the Trust for Public Land; and (2) $1,000,000 is to the Board of Water and Soil Resources, of which 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.

(g) Southeast Minnesota Protection and Restoration, Phase 13

$2,334,000 the first 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 on public lands and permanent conservation easements in southeast Minnesota. 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.

(h) Protecting Coldwater Fisheries on Minnesota's North Shore, Phase 3

$2,187,000 the first 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.

(i) Metro Big Rivers, Phase 15

$6,793,000 the first 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 in the metropolitan area as follows: $1,000,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; $488,000 to Friends of the Mississippi River; $975,000 to Great River Greening; $2,151,000 to the Trust for Public Land; and $2,179,000 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.

(j) Minnesota River Watershed Habitat Conservation Program

$3,078,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance priority habitat

in the Minnesota River watershed as follows: $1,364,000 to Great River Greening and $1,714,000 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.

(k) Shell Rock River Watershed Habitat Restoration Program, Phase 14

$2,141,000 the first 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.

(l) Protecting Minnesota's Lakes of Outstanding Biological Significance, Phase 4

$3,137,000 the first 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, $1,494,000 is to the Northern Waters Land Trust and $1,643,000 is to Minnesota Land Trust. Up to $168,000 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.

(m) Shakopee Creek: Headwaters Restored, Species and Land Protected

$2,359,000 the first year is to the commissioner of natural resources for an agreement with the Kandiyohi Soil and Water Conservation District to restore and enhance wildlife habitat in the headwaters area of Shakopee Creek in Kandiyohi County.

(n) DNR Trout Stream Conservation Easements, Phase 4

$973,000 the first year is to the commissioner of natural resources to acquire land in permanent conservation easements to protect trout-stream aquatic habitat. Of this amount, up to $120,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(o) Fisheries Habitat Protection on Strategic North-Central Minnesota Lakes, Phase 11

$2,878,000 the first 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 to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass,

Crow Wing, and Hubbard Counties as follows: $1,259,000 to Northern Waters Land Trust and $1,619,000 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.

(p) Minnesota Statewide Trout Habitat Enhancement, Phase 2

$2,124,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams throughout Minnesota.

(q) Restoring and Enhancing Minnesota's Important Bird Areas, Phase 4

$2,003,000 the first year is to the commissioner of natural resources for an agreement with Audubon Minnesota to restore and enhance wildlife habitat in important bird areas or Minnesota Prairie Conservation Plan Priority areas of northwestern Minnesota.

(r) Fall River Restoration

$1,318,000 the first year is to the commissioner of natural resources for an agreement with Cook County to restore and enhance coldwater stream habitat in the Fall River in Cook County.

(s) DNR Aquatic Habitat Restoration and Enhancement, Phase 8

$3,800,000 the first 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) Rum River Corridor Fish and Wildlife Habitat Enhancement, Phase 3

$1,356,000 the first year is to the commissioner of natural resources for an agreement with the Anoka County Soil and Water Conservation District to restore and enhance upland and riverine habitat in the Rum River corridor.

(u) DNR Roving Crew, Phase 3

$12,642,000 the first year is to the commissioner of natural resources to restore and enhance fish and wildlife habitat on permanently protected lands throughout Minnesota using the roving crew program of the Department of Natural Resources.

(v) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat, Phase 17

$11,716,000 the first 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. Of this amount, unless not enough eligible grant applications are received, at least $3,000,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or more and at least $2,620,000 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, 2028. 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.

Subd. 6. **Administration**	2,043,000	775,000

(a) Contract Management

$410,000 the first 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, 2027.

(b) Legislative Coordinating Commission

$732,000 the first year and $772,000 the second year are 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 available until June 30, 2027. Minnesota Statutes, section 16A.281, applies to this appropriation.

(c) Technical Evaluation Panel

$157,000 the first 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, 2027.

(d) Core Functions in Partner-Led OHF Land Acquisitions

$740,000 the first year is to the commissioner of natural resources for administering 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 as part of conveyance of parcels to the Department of Natural Resources and initial development activities on fee title acquisitions. Money appropriated in this paragraph is available until June 30, 2033.

(e) Legacy Website

$4,000 the first year and $3,000 the second year are to the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.

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 for acquiring real property is available until June 30, 2029;

(2) money appropriated for restoring and enhancing 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, 2033;

(3) money appropriated for restoring and enhancing other land is available until June 30, 2030;

(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, 2025, 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 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.

Subd. 9. **Mapping**

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded under this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to the 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 2020, chapter 104, article 1, section 2, subdivision 5, paragraph (b), Metro Big Rivers - Phase X, is extended to June 30, 2026.

(b) The availability of the appropriation for Laws 2020, chapter 104, article 1, section 2, subdivision 5, paragraph (k), St. Louis River Restoration Initiative - Phase VII, is extended to June 30, 2026.

(c) The availability of the appropriation for Laws 2023, chapter 40, article 1, section 2, subdivision 6, paragraph (d), Core Functions in Partner-Led OHF Land Acquisitions, is extended to June 30, 2031.

Subd. 11. **Cancellation**

$120,000 of the outdoor heritage fund appropriation in Laws 2020, chapter 104, article 1, section 2, subdivision 2, paragraph (i), is canceled no later than June 29, 2025.

EFFECTIVE DATE. Subdivisions 10 and 11 are effective the day following final enactment.

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

Subd. 25. **Federal grant fund requirements.** An interest in real property acquired with money appropriated from the outdoor heritage fund may be used to leverage federal grant funds for related conservation programs, such as Pittman-Robertson Wildlife Restoration, United States Code, title 16, section 669 et seq.; Dingell-Johnson Sport Fish Restoration, United States Code, title 16, section 777 et seq.; and the North American Wetlands Conservation Act, United States Code, title 16, section 4401. These grant programs may place conditions on land use that require the continued use of the land for conservation purposes. Placement of conditions on land use under these programs does not require prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor under subdivision 15, paragraph (b).

ARTICLE 2
CLEAN WATER FUND

Section 1. **CLEAN WATER FUND 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 clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2026" and "2027" used in this article mean that the appropriations listed under the figure 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. These are onetime appropriations.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **CLEAN WATER FUND**		
Subdivision 1. **Total Appropriation**	**$144,625,000**	**$159,301,000**

This appropriation is from the clean water fund. The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2026 appropriations are available until June 30, 2027, and fiscal year 2027 appropriations are available until June 30, 2028. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Disability Access**

Where appropriate, grant recipients of clean water funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this article.

Subd. 4. **Increasing Diversity in Environmental Careers**

Agencies should work to provide opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this article.

Sec. 3. **DEPARTMENT OF AGRICULTURE** **$16,075,000** **$17,275,000**

(a) $370,000 the first year and $370,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) $3,100,000 the first year and $3,100,000 the second year are for monitoring and evaluating trends in the concentration of nitrate in groundwater; promoting, developing, and evaluating regional and crop-specific nutrient best management practices, cover crops, and other vegetative cover; assessing adoption of best management practices and other recommended practices; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities, including research activities at the Rosholt Research Farm; and other actions to protect groundwater from degradation from nitrate.

(c) $2,000,000 the first year and $2,000,000 the second year are for the agriculture best management practices loan program. Any unencumbered balance at the end of the second year must be added to the corpus of the loan fund.

(d) $1,600,000 the first year and $1,600,000 the second year are for technical assistance; research, demonstration, and promotion projects on properly implementing best management practices and vegetative cover; and more-precise information on nonpoint contributions to impaired waters and for grants to support on-farm demonstration of agricultural practices.

(e) $50,000 the first year and $50,000 the second year are for maintenance of the Minnesota Water Research Digital Library. Costs for information technology development or support for the digital library may be paid to Minnesota IT Services.

(f) $3,500,000 the first year and $3,500,000 the second year are to implement the Minnesota agricultural water quality certification program statewide.

(g) $155,000 the first year and $155,000 the second year are for a regional irrigation water quality specialist through University of Minnesota Extension.

(h) $2,000,000 the first year and $3,000,000 the second year are for grants to the Board of Regents of the University of Minnesota to fund the Forever Green initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices.

(i) $500,000 the first year and $500,000 the second year are for testing drinking-water wells for pesticides.

(j) $1,750,000 the first year and $1,750,000 the second year are for conservation equipment assistance grants to purchase equipment or items to retrofit existing equipment that has climate and water quality benefits.

(k) $1,050,000 the first year and $1,250,000 the second year are for expanding the existing state weather station and soil temperature network to provide accurate and timely weather data to optimize the timing of irrigation, fertilizer, pesticide, and manure applications and support land management decisions.

(l) Unless otherwise specified, the appropriations in this section are available until June 30, 2030.

Sec. 4. **POLLUTION CONTROL AGENCY** **$24,501,000** **$24,702,000**

(a) $9,450,000 the first year and $9,450,000 the second year are for completing needed statewide assessments of surface water quality and trends according to Minnesota Statutes, chapter 114D.

(b) $7,250,000 the first year and $7,250,000 the second year are to support public participation in the watershed approach and to update watershed restoration and protection strategies, which include total maximum daily load (TMDL) and other supporting studies according to Minnesota Statutes, chapter 114D, for waters on the impaired waters list approved by the United States Environmental Protection Agency.

(c) $1,000,000 the first year and $1,000,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and evaluating trends.

(d) $1,600,000 the first year and $1,600,000 the second year are for national pollutant discharge elimination system wastewater and stormwater TMDL implementation efforts.

(e) $3,340,000 the first year and $3,541,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. This appropriation includes base grants for all

counties with SSTS programs. Counties that receive base grants must report the number of properties with noncompliant systems upgraded through an SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buyout. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. The required reports must be part of the established annual reporting for SSTS programs. Of this amount, at least $900,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(f) $650,000 the first year and $650,000 the second year are for activities and grants that reduce chloride pollution.

(g) $461,000 the first year and $461,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(h) $750,000 the first year and $750,000 the second year are for a grant program for sanitary sewer projects that are included in the draft or any updated Voyageurs National Park Clean Water Project Comprehensive Plan to restore the water quality of waters in Voyageurs National Park. Grants must be awarded to local government units for projects approved by the Voyageurs National Park Clean Water Joint Powers Board and must be matched by at least 25 percent from sources other than the clean water fund.

(i) Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section are available until June 30, 2030.

Sec. 5. **DEPARTMENT OF NATURAL RESOURCES** **$14,150,000** **$14,650,000**

(a) $2,825,000 the first year and $2,825,000 the second year are for stream flow monitoring.

(b) $1,525,000 the first year and $1,525,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) $550,000 the first year and $550,000 the second year are for assessing mercury and other fish contaminants, including PFAS compounds, and monitoring to track the status of impaired waters over time.

(d) $2,250,000 the first year and $2,500,000 the second year are for developing targeted, science-based watershed restoration and protection strategies and for technical assistance for local governments.

(e) $2,350,000 the first year and $2,350,000 the second year are for water-supply planning, aquifer protection, and monitoring activities and analysis.

(f) $2,100,000 the first year and $2,250,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities and targeted forest stewardship for water quality.

(g) $700,000 the first year and $700,000 the second year are for tool development and evaluation, including maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data and for assessing the effectiveness of forestry best management practices for water quality.

(h) $100,000 the first year and $100,000 the second year are for accelerating completion of or updates to county geologic atlases and supplementing water chemistry or chemical movement studies.

(i) $350,000 the first year and $350,000 the second year are for increasing native freshwater mussel production capacity and restoring and monitoring freshwater mussel restoration efforts.

(j) $1,400,000 the first year and $1,500,000 the second year are for providing technical and financial assistance for county and local governments to replace failing or ineffective culverts using modern designs that restore floodplain connectivity, biological connectivity, and channel stability. This appropriation is available for up to two additional years.

Sec. 6. **BOARD OF WATER AND SOIL RESOURCES** **$64,332,000** **$75,004,000**

(a) $39,962,000 the first year and $48,138,000 the second year are for agreements to implement state-approved watershed-based plans. The agreements may be used to implement projects or programs that protect, enhance, and restore surface water quality in lakes, rivers, and streams; protect groundwater from degradation; and protect drinking water sources. Activities must be identified in a comprehensive watershed plan developed under the One Watershed, One Plan program and seven-county metropolitan groundwater or surface water management frameworks as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D. Other legacy funds may be used to supplement projects funded under this paragraph. This appropriation may be used for:

(1) implementing state-approved plans, including within the following watershed planning areas: Big Fork River, Blue Earth River, Bois de Sioux - Mustinka, Buffalo-Red River, Cannon River, Cedar - Wapsipinicon, Chippewa River, Clearwater River, Cottonwood-Middle Minnesota, Crow Wing River, Des Moines

River, Greater Zumbro River, Hawk Creek - Middle Minnesota, Kettle and Upper St. Croix, Lac qui Parle-Yellow Bank, Lake of the Woods, Lake Superior North, Le Sueur River, Leech Lake River, Little Fork River, Long Prairie River, Lower Minnesota River East, Lower Minnesota River West, Lower St. Croix River, Middle-Snake-Tamarac Rivers, Minnesota River-Mankato, Mississippi River Brainerd, Mississippi River Headwaters, Mississippi River St. Cloud, Mississippi River-Sartell, Mississippi River Winona/La Crescent, Missouri River Basin, Nemadji River, North Fork Crow River, Otter Tail, Pine River, Pomme de Terre River, Rainy-Rapid River, Rainy Headwaters - Vermilion, Rainy River-Rainy Lake, Red Lake River, Redeye River, Redwood River, Root River, Roseau River, Rum River, Sand Hill River, Sauk River, Shell Rock and Winnebago River, Snake River, South Fork of the Crow River, St. Louis River, Thief River, Two Rivers Plus, Upper and Lower Red Lake, Upper Minnesota River, Upper Mississippi - Grand Rapids, Watonwan River, Wild Rice - Marsh, and Yellow Medicine River;

(2) implementing seven-county metropolitan groundwater or surface water management frameworks; and

(3) implementing other comprehensive watershed management plan planning areas that have a board-approved and local-government-adopted plan as authorized in Minnesota Statutes, section 103B.801.

The board must establish eligibility criteria and determine whether a planning area is ready to proceed.

(b) $2,935,000 the first year and $3,065,000 the second year are for agreements with local government units to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans, watershed restoration and protection strategies (WRAPS), groundwater restoration and protection strategies (GRAPS), or local water management plans or their equivalents. Up to 50 percent of this appropriation is available for land-treatment projects and practices that benefit drinking water.

(c) $4,350,000 the first year and $4,350,000 the second year are for accelerated implementation, local resource protection, statewide analytical targeting or technology tools that fill an identified gap, program enhancements for technical assistance, citizen and community outreach, compliance, and training and certification.

(d) $1,250,000 the first year and $1,250,000 the second year are:

(1) to provide state oversight and accountability, evaluate and communicate results, provide implementation tools, and measure the value of conservation program implementation by local governments; and

(2) to submit to the legislature by December 15 each even-numbered year a biennial report detailing the recipients and projects funded and the results accomplished under this section.

(e) $2,000,000 the first year and $2,000,000 the second year are to provide assistance, oversight, and support for local governments in implementing and complying with riparian protection and excessive soil loss requirements.

(f) $1,000,000 the first year and $1,000,000 the second year are for a working lands floodplain program and to purchase, restore, or preserve riparian land and floodplains adjacent to lakes, wetlands, rivers, streams, and tributaries, by conservation easements or other agreements to keep water on the land, to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase protection and recharge for groundwater. Up to $60,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(g) $2,500,000 the first year and $2,500,000 the second year are for conservation easements under Minnesota Statutes, section 103F.501 to 103F.535, or for agreements with local units of government or Tribal governments for long-term protection of groundwater supply sources. Priority must be placed on drinking water supply management areas where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, that are mitigation level 1 or 2 under the groundwater protection rule, where drinking water protection plans developed by Tribal governments have identified high vulnerability, or where drinking water protection plans have identified specific activities that will achieve long-term protection. Up to $200,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(h) $100,000 the first year and $100,000 the second year are for a technical evaluation panel to conduct restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) $500,000 the first year and $500,000 the second year are for assistance to, oversight of, and agreements with local governments to enhance and update comprehensive watershed management plans developed under Minnesota Statutes, section 103B.801.

(j) $1,000,000 the first year and $1,000,000 the second year are for technical and financial assistance for the conservation drainage program, in consultation with the Drainage Work Group, coordinated under Minnesota Statutes, section 103B.101, subdivision 13, and including projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(k) $500,000 the first year and $500,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters that have good water quality but that are threatened with degradation. Up to $60,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(l) $425,000 the first year and $425,000 the second year are to systematically collect data and produce county, watershed, and statewide estimates of soil erosion caused by water and wind, and track adoption of conservation measures, including cover crops, to address erosion. This appropriation may be used for agreements with the University of Minnesota to complete this work.

(m) $500,000 the first year and $500,000 the second year are for implementing a water legacy program to expand partnerships for clean water.

(n) $2,500,000 the first year and $2,500,000 the second year are for permanent conservation easements to protect and restore wetlands and associated uplands. Up to $100,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(o) $3,560,000 the first year and $5,926,000 the second year are for financial and technical assistance to enhance adoption of cover crops and other soil health practices to achieve water quality or drinking water benefits. The board may use agreements with local governments, the United States Department of Agriculture, AgCentric at Minnesota State Center for Excellence, and other practitioners and partners to accomplish this work. Up to $450,000 is for an agreement with the University of Minnesota Office for Soil Health for applied research and education on Minnesota's agroecosystems and soil health management systems. This appropriation may be extended to leverage available federal funds.

(p) $750,000 the first year and $750,000 the second year are to contract for delivery of services with Conservation Corps Minnesota and Iowa for restoration, maintenance, training, and other activities consistent with this section.

(q) $500,000 the first year and $500,000 the second year are to provide support to soil and water conservation districts and other local governments and partner organizations in the Lake Superior basin to leverage Great Lakes Restoration Initiative or other federal funding to implement prioritized activities.

(r) The board may shift funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds, to facilitate oversight responsibilities, or to address high-priority activities identified by the board consistent with local water management plans.

(s) The board must require grantees to specify the outcomes that will be achieved by the grants.

(t) The appropriations in this section are available until June 30, 2030, except grant or easement funds are available for five years after the date a grant or other agreement is executed. Returned funds must be repurposed consistent with the purposes of this section.

Sec. 7. **DEPARTMENT OF HEALTH** **$ 14,295,000 $ 15,845,000**

(a) $5,925,000 the first year and $5,925,000 the second year are to develop health risk limits and other health-based guidance and conduct outreach activities for contaminants found or anticipated to be found in Minnesota drinking water; to accredit private laboratories to conduct analyses for these contaminants; and to increase the capacity of the department's laboratory to analyze for these contaminants.

(b) $2,300,000 the first year and $3,700,000 the second year are for ensuring safe drinking water for private well users in southeast Minnesota and statewide by designing and implementing voluntary interventions to reduce health risks to private well users, including identifying private well locations, studying the occurrence and magnitude of contaminants in private wells, developing guidance and conducting outreach and education about well testing and mitigation, awarding grants to local governments, and offering well testing.

(c) $3,770,000 the first year and $3,920,000 the second year are for protecting sources of drinking water, including planning, implementation, and monitoring activities and grants to local governments and public water systems.

(d) $1,750,000 the first year and $1,750,000 the second year are to develop and deliver groundwater restoration and protection strategies on a watershed scale for use in local comprehensive water planning efforts, to provide resources to local governments for activities that sustain groundwater and protect sources of drinking water, and to enhance approaches that improve the capacity of local governmental units to protect and restore groundwater resources.

(e) $250,000 the first year and $250,000 the second year are to develop public health policies and approaches to address threats to safe drinking water, including implementation of a statewide action plan for protecting drinking water.

(f) $300,000 the first year and $300,000 the second year are for optimizing the statewide recreational water portal that includes an inventory of public beaches and information about local monitoring results and closures and that provides information about preventing illness and recreational water stewardship.

(g) Unless otherwise specified, the appropriations in this section are available until June 30, 2029.

Sec. 8. **METROPOLITAN COUNCIL** **$2,025,000** **$2,125,000**

(a) $1,375,000 the first year and $1,375,000 the second year are to support communities implementing projects that address emerging drinking water supply threats and overall water sustainability, provide cost-effective regional solutions, leverage interjurisdictional coordination, support local implementation of wellhead protection plans, and prevent degradation of groundwater and surface water resources. These activities will provide communities with:

(1) potential solutions to better connect land use impacts on water supply and overall water sustainability;

(2) ways to balance regional water use by using surface water, stormwater, wastewater, and groundwater;

(3) an analysis of infrastructure requirements needed to maintain and strengthen the reliability of water systems;

(4) development of planning-level cost estimates, including capital costs and operating costs;

(5) funding mechanisms and an equitable cost-sharing structure for regionally beneficial water supply development projects;

(6) information and tools to use to address climate change impacts on overall water supply systems and overall water sustainability; and

(7) ways to reduce impacts on the groundwater system through stormwater reuse grants to assist communities in reducing water use.

(b) $650,000 the first year and $750,000 the second year are for grants that implement water demand reduction measures. The grants are to assist municipalities in the metropolitan area with implementing water demand reduction measures to ensure the reliability and protection of drinking water supplies.

Sec. 9. **UNIVERSITY OF MINNESOTA** **$1,000,000** **$1,400,000**

(a) $400,000 the first year and $400,000 the second year are for developing Part A of county geologic atlases. This appropriation is available until June 30, 2030.

(b) $600,000 the first year and $1,000,000 the second year are for a program to evaluate performance and technology transfer for stormwater best management practices, to evaluate best management performance and effectiveness to support meeting total maximum daily loads, to develop standards and incorporate state-of-the-art guidance using minimal impact design standards as the model, and to implement a system to transfer knowledge and technology across the local government, industry, and regulatory sectors. This appropriation is available until June 30, 2032.

Sec. 10. **PUBLIC FACILITIES AUTHORITY** **$8,240,000** **$8,300,000**

(a) $8,190,000 the first year and $8,250,000 the second year are for the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation is available until June 30, 2032.

(b) $50,000 the first year and $50,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until June 30, 2032.

(c) If there is any uncommitted money at the end of each fiscal year under paragraph (a) or (b), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed in this section according to a project's priority rank on the Pollution Control Agency's project priority list.

Sec. 11. **LEGISLATURE** **$7,000** **$-0-**

$7,000 the first year is for the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 12. Minnesota Statutes 2024, section 114D.30, subdivision 7, is amended to read:

Subd. 7. **Reports to legislature.** By January 15 each odd-numbered year, the council must submit a report to the legislature that includes:

(1) a summary of the activities for which money has been or will be spent in the current biennium;

(2) the recommendations required under subdivision 6 for how money in the clean water fund should be spent in the next biennium, broken out by fiscal year and including recommended legislative bill language; and

(3) the impact on economic development of the implementation of efforts to protect and restore groundwater and the impaired waters program.

Sec. 13. **ASH RIVER SANITARY SEWER COLLECTION AND TREATMENT SYSTEM APPROPRIATION EXTENSION.**

The portion of the appropriation in Laws 2019, First Special Session chapter 2, article 2, section 5, paragraph (h), as amended by Laws 2021, First Special Session chapter 1, article 2, section 18, for the Ash River Sanitary Sewer Collection and Treatment System is available until June 30, 2026.

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

ARTICLE 3
PARKS AND TRAILS FUND

Section 1. **PARKS AND TRAILS FUND 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 parks and trails 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 the figure 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. These are onetime appropriations.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **PARKS AND TRAILS FUND**		
Subdivision 1. **Total Appropriation**	**$61,434,000**	**$68,733,000**

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

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2026 appropriations are available until June 30, 2028, and fiscal year 2027 appropriations are available until June 30, 2029. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Disability Access**

Where appropriate, grant recipients of parks and trails funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and

commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this article.

Subd. 4. **Energy and Water Conservation**

Grant recipients of parks and trails funds should prioritize water and energy conservation technology and the use of renewable energy for construction and building projects funded with an appropriation made in this article.

Sec. 3. **DEPARTMENT OF NATURAL RESOURCES** **$37,120,000** **$41,511,000**

(a) $24,310,000 the first year and $27,222,000 the second year are for state parks, recreation areas, and trails to:

(1) connect people to the outdoors;

(2) acquire land and create opportunities;

(3) maintain existing holdings; and

(4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) The commissioner may spend money appropriated under paragraph (a) on I Can! programs, including but not limited to programs designed to provide underserved youth the opportunity to experience the outdoors with similar peers.

(c) $12,196,000 the first year and $13,611,000 the second year are for grants for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535. The grants awarded under this paragraph must be based on the lists of recommended projects submitted to the legislative committees under Minnesota Statutes, section 85.536, subdivision 10, from the Greater Minnesota Regional Parks and Trails Commission established under Minnesota Statutes, section 85.536. Grants funded under this paragraph must support parks and trails of regional or statewide significance that meet the applicable definitions and criteria for regional parks and trails contained in the Greater Minnesota Regional Parks and Trails Strategic Plan adopted by the Greater Minnesota Regional Parks and Trails Commission on April 22, 2015. Grant recipients identified under this paragraph must submit a grant application to the commissioner of natural resources. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to 2.5 percent of the appropriation may be used by the commissioner for the actual cost of issuing and monitoring the grants for the commission. Of the amount appropriated, $500,000 the first year and $500,000 the second year

are for the Greater Minnesota Regional Parks and Trails Commission to carry out its duties under Minnesota Statutes, section 85.536, including the continued development of a statewide system plan for regional parks and trails outside the seven-county metropolitan area.

(d) By January 15, 2026, the Greater Minnesota Regional Parks and Trails Commission must submit a list of projects that contains the commission's recommendations for funding from the parks and trails fund for fiscal year 2027 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(e) By January 15, 2026, the Greater Minnesota Regional Parks and Trails Commission must submit a report that contains the commission's criteria for funding from the parks and trails fund, including the criteria used to determine if a park or trail is of regional significance, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(f) $614,000 the first year and $678,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission; enhanced web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee.

(g) The commissioner must contract for services with Conservation Corps Minnesota and Iowa for restoration, maintenance, and other activities under this section for at least $850,000 the first year and $850,000 the second year.

(h) Grant recipients of an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota and Iowa for restoration, maintenance, and other activities.

(i) In addition to the requirements under paragraph (g), the commissioner should work to provide other opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this section.

Sec. 4. **METROPOLITAN COUNCIL** **$24,310,000** **$27,222,000**

(a) $24,310,000 the first year and $27,222,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under this section and distributed to implementing agencies must be used only to fund the list of projects approved by the elected representatives of each of the metropolitan parks implementing agencies. Projects funded by the money appropriated under this section must be substantially consistent with the project descriptions and dollar amounts approved by each elected body. Any money remaining after completing the listed projects may be spent by the implementing agencies on projects to support parks and trails.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section must ensure that the money is used to supplement and not substitute for traditional sources of funding.

(d) The implementing agencies receiving appropriations under this section must give consideration to contracting with Conservation Corps Minnesota and Iowa for restoration, maintenance, and other activities.

Sec. 5. **LEGISLATURE** **$4,000** **$-0-**

$4,000 the first year is for the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 6. **PARKS AND TRAILS FUND APPROPRIATION EXTENSIONS**

The availability of the grant to Goodhue County for the Cannon Valley Trail project from the parks and trails fund fiscal year 2023 appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

The availability of the grant to Stearns County for the Beaver Island Trail project from the parks and trails fund fiscal year 2023 appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

The availability of the grant to the city of Winona for the Bluffs Traverse Trail project from the parks and trails fund fiscal year 2023 appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

The availability of the grant to the city of Austin for the Jay C. Hormel Nature Center 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.

The availability of the grant to the city of Duluth for the Spirit Mountain Recreation Area project from the parks and trails fund fiscal year 2023 appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

The availability of the grant to the city of Duluth for the Waabizheshikana/Marten 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.

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

Sec. 7. **CANCELLATIONS**

(a) The unobligated balance from the parks and trails fund appropriation under Laws 2019, First Special Session, chapter 2, article 3, section 3, paragraph (b), for grants estimated to be $10,000 is canceled to the parks and trails fund no later than June 30, 2025.

(b) The unobligated balance from the parks and trails fund appropriation under Laws 2021, First Special Session, chapter 1, article 3, section 3, paragraph (b), for grants estimated to be $31,000 is canceled to the parks and trails fund no later than June 30, 2025.

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

ARTICLE 4
ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15, except that any unencumbered balance remaining under this article from the first year does not cancel but is available in the second year. The figures "2026" and "2027" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2026, and 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. All appropriations in this article are onetime.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **ARTS AND CULTURAL HERITAGE**		
Subdivision 1. **Total Appropriation**	**$85,293,000**	**$94,618,000**

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

Subd. 2. **Availability of Appropriation**

Money appropriated in this article must not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2026 appropriations are available until June 30, 2027, and fiscal year 2027 appropriations are available until June 30, 2028. Water and energy conservation technology and the use of renewable energy should be priorities for construction and building projects funded through this appropriation. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Sec. 3. **MINNESOTA STATE ARTS BOARD**

Subdivision 1. **Total Appropriation**	**$37,686,000**	**$46,872,000**

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

Subd. 2. **Grant Agreements**

The amounts in this section are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this section must ensure that the money is used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

Subd. 3. **Arts and Arts Access Initiatives**	29,669,000	37,978,000

$29,669,000 the first year and $37,978,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. Grants provided under this subdivision must prioritize artists and arts organizations that plan to present art from communities that have been historically underrepresented in the arts or that improve access to the programs

and projects for groups, including youth and historically underserved communities, that have struggled to access arts programming in the past.

Subd. 4. **Arts Education** 6,013,000 6,670,000

$6,013,000 the first year and $6,670,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts. Priority in the award of grants under this subdivision must be given to providing educational opportunities to underserved communities with grants for organizations or entities providing opportunities to K-12 students throughout the state for arts education, including access to arts instruction, arts programming, museums, and arts presentations.

Subd. 5. **Arts and Cultural Heritage** 2,004,000 2,224,000

$2,004,000 the first year and $2,224,000 the second year are for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

Subd. 6. **Administrative Costs**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the totals in subdivisions 3 to 5 each year is for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 7. **Regional Arts Councils**

Thirty percent of the remaining total appropriation to each of the categories listed in subdivisions 3 to 5 is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

Sec. 4. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation** **$17,618,000** **$18,768,000**

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

Subd. 2. **Grant Agreements**

(a) The amounts in this section are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this section must ensure that the money is used to supplement and not substitute for traditional sources of funding. Money directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2029. The Minnesota Historical Society or grant recipients of the Minnesota Historical Society using money from the arts and cultural heritage fund under this section must give consideration to Conservation Corps Minnesota and Iowa and Northern Bedrock Historic Preservation Corps, or an organization carrying out similar work, for projects with the potential to need historic preservation services.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the totals in subdivisions 3 and 4 each year is for administering grants and grant programs, delivering technical services, providing fiscal oversight, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 3. **Historical Grants and Programs**	16,493,000	17,643,000

(a) **Statewide Historic and Cultural Grants**

$6,093,000 the first year and $6,858,000 the second year are for statewide historic and cultural grants to local, county, regional, or other historical or cultural organizations or for activities to preserve significant historic and cultural resources. Money must be distributed through a competitive grant process. The Minnesota Historical Society must administer the money using established grant mechanisms with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(b) **Statewide History Programs**

$6,775,000 the first year and $7,160,000 the second year are for historic and cultural programs and purposes related to the heritage of the state.

(c) **History Partnerships**

$2,875,000 the first year and $2,875,000 the second year are for history partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

(d) **Statewide Survey of Historical and Archaeological Sites**

$375,000 the first year and $375,000 the second year are for one or more contracts to be competitively awarded to conduct statewide surveys or investigations of Minnesota's sites of historical, archeological, and cultural significance. Results of the surveys or investigations must be published in a searchable form and available to the public cost-free. The Minnesota Historical Society, the Office of the State Archeologist, the Indian Affairs Council, and the State Historic Preservation Office must each appoint a representative to an oversight board to select contractors and direct the conduct of the surveys or investigations. The oversight board must consult with the Departments of Transportation and Natural Resources.

(e) **Digital Library**

$375,000 the first year and $375,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society must cooperate with the Minitex interlibrary loan system and must jointly share this appropriation for these purposes.

Subd. 4. **Grants** 1,125,000 1,125,000

(a) $1,000,000 each year is for grants to community-based organizations and local units of government for statues and memorials commemorating the historical significance and cultural contributions of Minnesotans and for buildings or structures that are considered historically significant to their local communities to improve access to the buildings or structures, to preserve the buildings or structures, or to enhance the use of the buildings or structures, including improving access to museums, music halls, opera houses, libraries, and sites celebrating diverse cultures and heritages throughout the state. Grant money not encumbered in the first year is available for statewide history programs in the second year. The Minnesota Historical Society must give priority consideration for funding under this paragraph to the city of St. Paul to design and construct a mural and statue honoring Tou Ger Xiong at Lake Phalen's Tou Ger Xiong Island in St. Paul, the city of Marshall to replace the historic bandshell at Liberty Park, the George Stoppel Farmstead, the Serbian Home in South St. Paul, 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, the Fairmont Opera House for structural beam repair, and the Litchfield Opera House for expanding and installing balcony seating.

(b) $125,000 the first year and $125,000 the second year are for a grant to Special Guerrilla Units Veterans and Families of USA, Inc. to collect, document, archive, and preserve the oral histories of

Hmong veterans of the United States-sponsored Secret War in Laos and to create programming and educational resources to teach the public and future generations about the history, legacy, and cultural heritage of the Hmong in Minnesota.

Sec. 5. **DEPARTMENT OF EDUCATION** **$2,700,000** **$2,700,000**

$2,700,000 the first year and $2,700,000 the second year are appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. When possible, funding under this section should be used to promote and share the work of Minnesota authors, including authors from diverse backgrounds. This money must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3 to 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system. For purposes of this section, "qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. This money may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries. This money must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2027, as grants or contracts in this section are available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to two percent of the amount in this section is for administering the grants in this section.

Sec. 6. **DEPARTMENT OF ADMINISTRATION**

Subdivision 1. **Total Appropriation** **$9,105,000** **$10,505,000**

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

Subd. 2. **Grant Agreements**

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

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

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the amounts in subdivision 3 are for administering the grants, providing fiscal oversight, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 3. **Grants**	9,105,000	10,505,000

(a) **Minnesota Public Radio**

$1,000,000 the first year and $1,000,000 the second year are for Minnesota Public Radio. This appropriation must be used only to create and share programming on Minnesota's arts and cultural heritage and history.

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

$1,557,000 the first year and $2,057,000 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.

(c) **Public Television**

$3,686,000 the first year and $4,686,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18.

(d) **Como Park Zoo**

$1,520,000 the first year and $1,520,000 the second year are 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.

(e) **Great Lakes Aquarium**

$200,000 the first year and $200,000 the second year are to the Great Lakes Aquarium for a lake sturgeon project, including an exhibit and public education on lake sturgeon, in cooperation with the commissioner of natural resources, Fond du Lac Band of Lake Superior Chippewa, and United States Fish and Wildlife Services.

(f) **The Bakken Museum**

$75,000 the first year and $75,000 the second year are for a grant to The Bakken Museum for interactive exhibits and outreach programs on arts and cultural heritage.

(g) **Wilderness Inquiry**

$485,000 the first year and $485,000 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.

(h) **Science Museum of Minnesota**

$350,000 the first year and $350,000 the second year are 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) **Lake Superior Zoo**

$132,000 the first year and $132,000 the second year are to the Lake Superior Zoo to develop educational exhibits and programs.

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

$100,000 the first year is for a grant to the Minnesota African American Heritage Museum and Gallery for cultural programming.

Sec. 7. **MINNESOTA ZOO** **$1,700,000** **$1,700,000**

The amounts in this section are appropriated to the Minnesota Zoological Board for programs at and development of the Minnesota Zoological Garden and to provide access and education related to programs on the cultural heritage of Minnesota.

Sec. 8. **MINNESOTA HUMANITIES CENTER**

Subdivision 1. **Total Appropriation** **$14,424,000** **$12,018,000**

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

Subd. 2. **Grant Agreements**

(a) The amounts in this section are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this section. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the Minnesota Humanities Center may use up to 5.5 percent of the appropriations for the administration of these funds and to cover the cost of administering, planning, evaluating, and reporting these grants. The Minnesota Humanities Center must develop a written plan to

issue the grants under this section and must submit the plan for review and approval by the commissioner of administration. The written plan must require the Minnesota Humanities Center to create and adhere to grant policies that are similar to those established according to Minnesota Statutes, section 16B.97, subdivision 4, paragraph (a), clause (1).

(b) No grants awarded under this section may be used for travel outside the state of Minnesota. The grant agreement must specify the repercussions for failing to comply with the grant agreement.

Subd. 3. **Programs** 2,525,000 2,500,000

(a) $2,500,000 the first year and $2,500,000 the second year are for statewide humanities programs and to support and expand outreach, partnerships, and humanities programming with organizations and individuals throughout the state, including but not limited to programming related to veterans and the military experience, professional development opportunities for educators, and programming celebrating, representing, and reflecting upon the heritage of diverse Minnesota communities that have been historically underserved.

(b) $25,000 the first year is for outreach and education on the humanities center grant program with a focus on reaching underserved community organizations and providing assistance with grant opportunities, qualifications, and reporting requirements, and specifically providing technical assistance and a nontraditional application process to improve access to grant funding.

Subd. 4. **Children's Museum Grants** 1,250,000 1,250,000

(a) $1,250,000 the first year and $1,250,000 the second year are for arts and cultural heritage grants to children's museums for arts and cultural exhibits and related educational outreach programs. The Minnesota Humanities Center must administer this money using established grant mechanisms.

(b) Of the amount in paragraph (a), $500,000 each year is for the Minnesota Children's Museum, St. Paul.

(c) Of the amount in paragraph (a), $750,000 each year is for competitive grants. The Minnesota Humanities Center must give priority consideration for the grants to The Works, Bloomington; WonderTrek Children's Museum, Brainerd-Baxter; Children's Discovery Center, Breckenridge; Duluth Children's Museum, Duluth; Otter Cove Children's Museum, Fergus Falls; Children's Discovery Museum, Grand Rapids; Wheel and Cog Children's Museum, Hutchinson; Children's Museum of Southern Minnesota, Mankato; Great River Children's Museum, St. Cloud; The Village Children's Museum, Willmar; Mini Sota Ag Museum, Benson; and SPARK Children's Museum, Rochester.

Subd. 5. **Community Identity and Heritage Competitive Grant Program** 8,799,000 7,368,000

(a) $8,799,000 the first year and $7,368,000 the second year are for a competitive grant program to provide funding to organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of the many diverse cultural groups that make up Minnesota, including but not limited to Indigenous organizations, communities whose culture and heritage have been historically underrepresented, recent immigrant communities, and veterans. An individual or organization that receives a grant under this subdivision must do at least one of the following:

(1) preserve and honor the cultural heritage of Minnesota;

(2) provide education and student outreach on cultural diversity;

(3) support the development of culturally diverse humanities programming, including arts programming, by individuals and organizations; or

(4) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing.

(b) The Minnesota Humanities Center must give priority consideration for grants to Art from the Inside, arts programs in the Moorhead and Maplewood cultural malls, the Asian Economic Development Association, Capri Theater, the Minnesota State Band, Fight for Your Dreams, HIRPHA International for Oromo youth programs, the Hmong Cultural Center, Midnimo, MN Zej Zog, People in Action, the Phyllis Wheatley Community Center, Safe Summer Nights, Siengkane Lao MN, the Stairstep Foundation, and the Walker West Music Academy.

(c) At least 75 percent of the amount in paragraphs (d) to (f) must be for grants of less than $200,000. A grant awarded to an entity receiving priority consideration under paragraphs (d) to (f) must not exceed $200,000.

(d) Of the amount in paragraph (a), $1,500,000 each year is for grants to community-based organizations and local governments to support cultural festivals and events throughout the state. The funding may support arts and cultural programming, staffing, community outreach, transportation, facilities and equipment rentals, signage, and public safety expense reimbursements. The Minnesota Humanities Center must give priority consideration for funding under this paragraph to the Somali Museum Annual Celebration, Twin Cities Jazz Fest, Selby Avenue Jazz Fest, the International Hmong Freedom Festival, Cinco de Mayo festival, and Rondo Days in St. Paul; the Hiddo Soor International Somali

Cultural Festival in Plymouth; Somali Independence Day in St. Paul; sesquicentennial celebrations in Osseo and Delano; Taste of Minnesota; and IgboFest Minnesota.

(e) Of the amount in paragraph (a), $750,000 the first year and $750,000 the second year are for grants to community-based organizations and local governments for museums, exhibits, and collections.

(f) Of the amount in paragraph (a), $250,000 the first year and $250,000 the second year are for grants to provide funding to ethnic media organizations creating video content in a language other than English.

Subd. 6. **Minnesota Musicians**	200,000	200,000

$200,000 each year is for a competitive grant program to award grants to Minnesota musicians to create, produce, and perform music throughout the state.

Subd. 7. **Youth Literary Grants**	250,000	250,000

$250,000 each year is for competitive grants to individual authors and organizations creating and producing books. The grants under this subdivision must be used for the creation and distribution of books for youth that celebrate cultural expression with a focus on excellent creative work and educational value.

Subd. 8. **Youth Poet Laureate**	100,000	-0-

$100,000 the first year is for a grant to a nonprofit to operate a statewide youth poet laureate program in coordination with the Minnesota Humanities Center. The program may provide creative writing outreach, programming, and events related to creative writing and must award a young person who is 13 to 19 years of age, through a competitive process similar to the National Youth Poet Laureate program, to be the Minnesota Youth Poet Laureate and provide opportunities to celebrate, mentor, and highlight the work of the Youth Poet Laureate and young writers in Minnesota.

Subd. 9. **Grants**	350,000	150,000

(a) **(Neo)Muralismos de Mexico**

$100,000 the first year is for a grant to (Neo)Muralismos de Mexico to expand arts programming that celebrates Latino cultural heritage through workshops and support to local artists through capacity building, professional development, networking, and presentation opportunities on Latino arts and culture.

(b) **Lundstrum Center for the Performing Arts**

$100,000 the first year is for a grant to the Lundstrum Center for the Performing Arts for after-school educational programming that includes instruction in dance, voice, and drama.

(c) **United Hmong Family**

$150,000 each year is for a grant to the United Hmong Family to provide dance and other arts and cultural programming.

Subd. 10. **Community Identity and Heritage Emergency Grants**	300,000	300,000

$300,000 the first year and $300,000 the second year are for emergency grants to organizations otherwise qualified to receive grants under subdivision 5 and must be awarded on a rolling basis based on emerging needs to assist communities responding to major events and to facilitate the process of grieving, encourage healing, create memorials, or assist in recovery of the community. Any amount described in the preceding sentence that is not expended by October 15 of the second year may be used for general programming costs or grants under subdivision 5.

Subd. 11. **Underrepresented Groups Cultural Studies Materials**	400,000	-0-

$400,000 the first year is for competitive grants to develop high-quality academic, cultural, and ethnic studies materials for communities that do not have adequate cultural and ethnic studies materials or who are underrepresented in those materials, including but not limited to the Hmong, Karen, Somali, and Oromo cultures and cultures without a formal writing system that are largely oral-based. In developing these materials, a recipient of a grant under this subdivision must work with school districts that intend to use the materials.

Subd. 12. **Gordon Parks Commemoration**	250,000	-0-

$250,000 the first year is for a grant to create an art installation and programming to celebrate the incredible life and rich legacy of Gordon Parks.

Sec. 9. **INDIAN AFFAIRS COUNCIL**	**$1,305,000**	**$1,305,000**

(a) $650,000 each year is to provide grants to Minnesota Tribal Nations to preserve Dakota and Ojibwe Indian language and to foster education programs and services for Dakota and Ojibwe language.

(b) $525,000 each year is to provide grants to preserve the Dakota and Ojibwe Indian language through support of projects and services and to support educational programs and immersion efforts in Dakota and Ojibwe language.

(c) $130,000 each year is for the Indian Affairs Council to carry out responsibilities under Minnesota Statutes, section 307.08, to comply with Public Law 101-601, the Native American Graves Protection and Repatriation Act.

Sec. 10. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. **Total Appropriation**	**$750,000**	**$750,000**

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

Subd. 2. **County Fair Grants**	500,000	500,000

$500,000 the first year and $500,000 the second year are for grants to county agricultural societies to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage as embodied in its county fairs. The grants may be distributed in equal amounts to each of the county fairs that submitted an application. The grants are in addition to the aid distribution to county agricultural societies under Minnesota Statutes, section 38.02. The commissioner of agriculture must develop grant-making criteria and guidance for expending money under this subdivision to provide funding for projects and events that provide access to the arts or the state's agricultural, historical, and cultural heritage. The commissioner must seek input from all interested parties. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to two percent of the amounts in this subdivision for the administration and distribution of the grants. Money not used in the first year may be used in the second year.

Subd. 3. **Minnesota FFA**	250,000	250,000

(a) $250,000 the first year and $250,000 the second year are for grants to the Minnesota FFA to provide new and expanded access for Minnesota FFA members involved in art- and history-related FFA activities. Of this amount:

(1) up to $100,000 each year may be used to document and commemorate 100 years of fostering leadership, agricultural education, and community service across the state by creating a history book, video storytelling series, and an in-person arts-focused event; and

(2) any amount not spent for the purposes described in clause (1) may be used for other activities that provide new and expanded access for Minnesota FFA members involved in art- and history-related FFA activities, including activities related to national and state FFA band and choir, state and national FFA talent competitions, FFA floriculture, and FFA state fair landscape booths.

(b) The commissioner of agriculture must develop grant-making criteria and guidance for grants under this subdivision to provide funding for projects and events and must seek input from the Minnesota FFA and Minnesota FFA Foundation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to five percent of the amounts in this subdivision to cover the costs of administering, planning, evaluating, and reporting these grants.

Sec. 11. **LEGISLATIVE COORDINATING COMMISSION** **$5,000** **$-0-**

The amount in this section is appropriated to the Legislative Coordinating Commission to maintain the website required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 12. Minnesota Statutes 2024, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) A state agency or other recipient of a direct appropriation from the arts and cultural heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the website required under section 3.303, subdivision 10, as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) All money from the arts and cultural heritage fund must be for projects located in Minnesota.

(g) When practicable, a direct recipient of an appropriation from the arts and cultural heritage fund shall prominently display on the recipient's website home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the website must direct the person to a web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission website required under section 3.303, subdivision 10.

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the arts and cultural heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the arts and cultural heritage fund until the recipient demonstrates compliance to the legislative auditor.

(i) Any state agency or organization requesting a direct appropriation from the arts and cultural heritage fund must inform the house of representatives and senate committees having jurisdiction over the arts and cultural heritage fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose and provide a copy of the most recent year's Internal Revenue Service Form 990, Return of Organization Exempt From Income Tax.

Sec. 13. Minnesota Statutes 2024, section 129D.17, is amended by adding a subdivision to read:

Subd. 7. **Construction costs.** Money from the arts and cultural heritage fund must not be appropriated to fund new construction or for capital construction projects, including major renovations or long-term building projects, with the exception of preservation of historic structures or sites. This prohibition does not apply to:

(1) accessibility accommodations;

(2) the creation of exhibits or installations; and

(3) renovations to provide care for collections or facilitate exhibits, installations, or other projects funded with arts and cultural heritage fund appropriations.

Sec. 14. Laws 2023, chapter 40, article 4, section 2, subdivision 5, is amended to read:

Subd. 5. **Department of Education**	3,000,000	2,750,000

(a) $2,750,000 each year is appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. When possible, funding under this subdivision should be used to promote and share the work of Minnesota authors, including authors from diverse backgrounds. This money must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3 to 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system. For purposes of this subdivision,

"qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. This money may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries. This money must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, ~~2025~~ 2026, as grants or contracts in this subdivision are available until June 30, ~~2026~~ 2027.

(b) $250,000 the first year is appropriated to the commissioner of education for a water safety grant program. The commissioner of education must allocate grants to eligible applicants. Eligible applicants include nonprofit organizations and city and county parks and recreation programs providing swimming lessons to youth. Eligible applicants are not required to partner with other entities. Grant funds must primarily be used to provide scholarships to low-income and at-risk children for swimming lessons. Up to 15 percent of the grant funds may also be used to hire water safety instructors or lifeguards or train water safety instructors or lifeguards in nationally recognized water safety practices and instruction.

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

Sec. 15. Laws 2023, chapter 40, article 4, section 2, subdivision 6, 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 ~~the city of St. Paul~~ Forecast Public Art for an 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.

(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.

Sec. 16. Laws 2024, chapter 106, article 4, section 2, subdivision 6, is amended to read:

Subd. 6. **Minnesota Historical Society** -0- 1,201,000

(a) The amounts in this subdivision are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. The appropriations in this subdivision are onetime.

(b) **Grants**

(1) $100,000 the second year is to facilitate negotiations for the purchase by the state of the Wizard of Oz ruby slippers through a combination of available state funds and nonstate sources of funding. Any remaining amount not used to facilitate the purchase of the slippers by the state may be used as a grant to the Judy Garland Children's Discovery Museum to create an exhibit highlighting the history and cultural relevance of the slippers;

(2) $400,000 the second year is for statewide historic and cultural grants to cultural community organizations, historical organizations, and veterans organizations for activities to commemorate 50 years of Southeast Asians in Minnesota. Money under this paragraph must be distributed through a competitive grant process. The Minnesota Historical Society must administer the grants using established grant mechanisms with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(3) $200,000 the second year is for activities to prepare and coordinate community commemoration programs celebrating 50 years of Hmong Americans in Minnesota. The Minnesota Historical Society must form an advisory task force consisting of members of the Hmong community to advise the society on the design and implementation of these activities and programs;

(4) $200,000 the second year is for planning and outreach, in collaboration with the Minnesota Humanities Center, for Minnesota's commemoration of the 250th anniversary of the signing of the Declaration of Independence. The Minnesota Historical Society and Minnesota Humanities Center must enter into an agreement between the organizations on how best to maximize the impact of this grant and of collaboration with statewide partners;

(5) $50,000 the second year is for a grant to the Greater Litchfield Opera House Association to repair and update the Litchfield Opera House; and

(6) $251,000 the second year is for a grant to the Dakota County Historical Society to design and build exhibits at the Lawshe Memorial Museum.

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

Delete the title and insert:

"A bill for an act relating to legacy; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; extending prior appropriations; providing for leveraging federal grant money; modifying reporting requirements; modifying accountability and eligible projects provisions; amending Minnesota Statutes 2024, sections 97A.056, by adding a subdivision; 114D.30, subdivision 7; 129D.17, subdivision 2, by adding a subdivision; Laws 2023, chapter 40, article 4, section 2, subdivisions 5, 6; Laws 2024, chapter 106, article 4, section 2, subdivision 6."

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

House Conferees: SAMANTHA VANG, SAMAKAB HUSSEIN, JOE MCDONALD and ROGER SKRABA.

Senate Conferees: FOUNG HAWJ, JENNIFER MCEWEN, SUSAN PHA AND ZAYNAB MOHAMED.

Vang moved that the report of the Conference Committee on H. F. No. 2563 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2563, A bill for an act relating to legacy; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; extending prior appropriations; providing for leveraging federal grant money; modifying reporting requirements; modifying accountability provisions; amending Minnesota Statutes 2024, sections 97A.056, by adding a subdivision; 114D.30, subdivision 7; 129D.17, subdivision 2, by adding a subdivision; Laws 2023, chapter 40, article 4, section 2, subdivision 6.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 113 yeas and 21 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Altendorf	Dotseth	Harder	Lawrence	Rarick	Wiener
Bliss	Engen	Jacob	Mekeland	Roach	
Davis	Fogelman	Joy	Murphy	Rymer	
Dippel	Gordon	Knudsen	Quam	Van Binsbergen	

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

MOTIONS AND RESOLUTIONS, Continued

MOTION TO TAKE FROM THE TABLE

Igo moved that the Igo motion, which was laid on the table earlier today, that H. F. No. 3023 be placed on and be considered first on the Calendar for the Day be taken from the table.

A roll call was requested and properly seconded.

The question was taken on the Igo motion and the roll was called. There were 67 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Allen	Anderson, P. H.	Baker	Burkel	Dippel	Engen
Altendorf	Backer	Bennett	Davids	Dotseth	Fogelman
Anderson, P. E.	Bakeberg	Bliss	Davis	Duran	Franson

Gander	Joy	Myers	Quam	Scott	Wiener
Gillman	Knudsen	Nadeau	Rarick	Sexton	Witte
Gordon	Koznick	Nash	Repinski	Skraba	Zeleznikar
Harder	Kresha	Nelson	Roach	Stier	Spk. Demuth
Heintzeman	Lawrence	Niska	Robbins	Swedzinski	
Hudson	McDonald	Novotny	Rymer	Torkelson	
Igo	Mekeland	O'Driscoll	Schomacker	Van Binsbergen	
Jacob	Mueller	Olson	Schultz	Warwas	
Johnson, W.	Murphy	Perryman	Schwartz	West	

Those who voted in the negative were:

Acomb	Feist	Hemmingsen-Jaeger	Keeler	Moller	Stephenson
Agbaje	Finke	Her	Klevorn	Momanyi-Hiltsley	Tabke
Bahner	Fischer	Hicks	Koegel	Noor	Vang
Berg	Frazier	Hill	Kotyza-Witthuhn	Norris	Virnig
Bierman	Frederick	Hollins	Kozlowski	Pérez-Vega	Wolgamott
Carroll	Freiberg	Hortman	Kraft	Pinto	Xiong
Cha	Gomez	Howard	Lee, F.	Pursell	Youakim
Clardy	Gottfried	Huot	Lee, K.	Rehm	
Coulter	Greene	Hussein	Liebling	Rehrauer	
Curran	Greenman	Johnson, P.	Lillie	Reyer	
Elkins	Hansen, R.	Jones	Long	Sencer-Mura	
Falconer	Hanson, J.	Jordan	Mahamoud	Smith	

The motion did not prevail.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 2115

A bill for an act relating to human services; modifying policy provisions relating to aging and disability services, the Department of Health, Direct Care and Treatment, behavioral health, and the Department of Human Services Office of Inspector General; recodifying statutory language relating to assertive community treatment and intensive residential treatment services; modifying children's mental health terminology; codifying requirement for notification of federal approval; making conforming changes; amending Minnesota Statutes 2024, sections 3.757, subdivision 1; 13.46, subdivisions 3, 4; 15.471, subdivision 6; 43A.241; 62J.495, subdivision 2; 62Q.527, subdivisions 1, 2, 3; 97A.441, subdivision 3; 121A.61, subdivision 3; 128C.02, subdivision 5; 142E.51, subdivisions 5, 6, by adding a subdivision; 142G.02, subdivision 56; 142G.27, subdivision 4; 142G.42, subdivision 3; 144.0724, subdivisions 2, 3a, 4, 9; 144.53; 144.651, subdivisions 2, 4, 10a, 20, 31, 32; 144A.07; 144A.61, by adding subdivisions; 144A.70, subdivisions 3, 7, by adding subdivisions; 144G.10, subdivisions 1, 1a, 5; 144G.16, subdivision 3; 144G.19, by adding a subdivision; 144G.52, by adding a subdivision; 144G.53; 144G.70, subdivision 2; 144G.81, subdivision 1; 144G.91, by adding a subdivision; 146A.08, subdivision 4; 147.091, subdivision 6; 147A.13, subdivision 6; 148.10, subdivision 1; 148.235, subdivision 10; 148.261, subdivision 5; 148.754; 148B.5905; 148F.09, subdivision 6; 148F.11, subdivision 1; 150A.08, subdivision 6; 151.071, subdivision 10; 153.21, subdivision 2; 153B.70; 169A.284; 244.052, subdivision 4; 245.462, subdivision 4; 245.4662, subdivision 1; 245.4682, subdivision 3; 245.469; 245.481; 245.4835, subdivision 2; 245.4863; 245.487, subdivision 2; 245.4871, subdivisions 3, 4, 6, 13, 15, 17, 19, 21, 22, 28, 29, 31, 32, 34, by adding a subdivision; 245.4873, subdivision 2; 245.4874, subdivision 1; 245.4875, subdivision 5; 245.4876, subdivisions 4, 5; 245.4877; 245.488, subdivisions 1, 3; 245.4881, subdivisions 1, 3, 4; 245.4882, subdivisions 1, 5; 245.4884; 245.4885, subdivision 1; 245.4889, subdivision 1; 245.4901, subdivision 3; 245.4906, subdivision 2; 245.4907, subdivisions 2, 3; 245.491, subdivision 2; 245.492, subdivision 3; 245.50, subdivision 2; 245.52; 245.697, subdivision 2a; 245.735, subdivision 3b;

245.814, subdivision 3; 245.826; 245.91, subdivisions 2, 4; 245.92; 245.94, subdivision 1; 245A.03, subdivision 2; 245A.04, subdivisions 1, 7; 245A.16, subdivision 1; 245A.242, subdivision 2; 245A.26, subdivisions 1, 2; 245C.05, by adding a subdivision; 245C.08, subdivision 3; 245C.22, subdivision 5; 245D.02, subdivision 4a; 245D.091, subdivision 3; 245F.06, subdivision 2; 245G.05, subdivision 1; 245G.06, subdivisions 1, 2a, 3a; 245G.07, subdivision 2; 245G.08, subdivision 6; 245G.09, subdivision 3; 245G.11, subdivisions 7, 11; 245G.18, subdivision 2; 245G.19, subdivision 4, by adding a subdivision; 245G.22, subdivisions 1, 14, 15; 245I.05, subdivisions 3, 5; 245I.06, subdivision 3; 245I.11, subdivision 5; 245I.12, subdivision 5; 246.585; 246C.06, subdivision 11; 246C.12, subdivisions 4, 6; 246C.20; 252.27, subdivision 1; 252.291, subdivision 3; 252.43; 252.46, subdivision 1a; 252.50, subdivision 5; 253B.07, subdivision 2b; 253B.09, subdivision 3a; 253B.10, subdivision 1; 253B.141, subdivision 2; 253B.18, subdivision 6; 253B.19, subdivision 2; 253D.14, subdivision 3; 253D.27, subdivision 2; 253D.28; 253D.29, subdivisions 1, 2, 3; 253D.30, subdivisions 3, 4, 5, 6; 253D.31; 254A.19, subdivision 6; 254B.04, subdivision 1a; 254B.05, subdivisions 1, 1a, 5; 256.01, subdivisions 2, 5, by adding a subdivision; 256.019, subdivision 1; 256.0281; 256.0451, subdivisions 1, 3, 6, 8, 9, 18, 22, 23, 24; 256.478, subdivision 2; 256.4825; 256.93, subdivision 1; 256.98, subdivisions 1, 7; 256B.02, subdivision 11; 256B.055, subdivision 12; 256B.0615, subdivisions 1, 3, 4; 256B.0616, subdivisions 1, 4, 5; 256B.0622, subdivisions 1, 3a, 7a, 8, 11, 12; 256B.064, subdivision 1a; 256B.0757, subdivision 2; 256B.092, subdivisions 1a, 10, 11a; 256B.0943, subdivisions 1, 3, 9, 12, 13; 256B.0945, subdivision 1; 256B.0946, subdivision 6; 256B.0947, subdivision 3a; 256B.49, subdivisions 13, 29; 256B.4911, subdivision 6; 256B.4914, subdivisions 10a, 10d; 256B.69, subdivision 23; 256B.77, subdivision 7a; 256B.82; 256D.44, subdivision 5; 256G.09, subdivisions 4, 5; 256I.04, subdivision 2c; 256L.03, subdivision 5; 256R.38; 256R.40, subdivision 5; 260B.157, subdivision 3; 260C.007, subdivisions 16, 26d, 27b; 260C.157, subdivision 3; 260C.201, subdivisions 1, 2; 260C.301, subdivision 4; 260D.01; 260D.02, subdivisions 5, 9; 260D.03, subdivision 1; 260D.04; 260D.06, subdivision 2; 260D.07; 260E.11, subdivision 3; 295.50, subdivision 9b; 299F.77, subdivision 2; 342.04; 352.91, subdivision 3f; 401.17, subdivision 1; 480.40, subdivision 1; 507.071, subdivision 1; 611.57, subdivisions 2, 4; 624.7131, subdivisions 1, 2; 624.7132, subdivisions 1, 2; 624.714, subdivisions 3, 4; 631.40, subdivision 3; Laws 2023, chapter 70, article 7, section 34; proposing coding for new law in Minnesota Statutes, chapters 245; 246C; 256B; 256G; 609; repealing Minnesota Statutes 2024, sections 144G.9999, subdivisions 1, 2, 3; 245.4862; 245A.042, subdivisions 2, 3, 4; 245A.11, subdivision 8; 246.015, subdivision 3; 246.50, subdivision 2; 246B.04, subdivision 1a; 256B.0622, subdivision 4; Laws 2024, chapter 79, article 1, sections 15; 16; 17; Minnesota Rules, part 9505.0250, subparts 1, 2, 3.

May 15, 2025

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. 2115 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. 2115 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AGING AND DISABILITY SERVICES

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

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

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

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

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

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

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

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

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

(1) nursing facility services under chapter 256R;

(2) elderly waiver services under chapter 256S;

(3) CADI and BI waiver services under section 256B.49; and

(4) state payment of alternative care services under section 256B.0913.

(h) "Patient Driven Payment Model" or "PDPM" means the case mix reimbursement classification system for residents in nursing facilities based on the resident's condition, diagnosis, and the care the resident received at the time of the MDS assessment with an ARD on or after October 1, 2025.

(i) "Resource utilization group" or "RUG" means the case mix reimbursement classification system for residents in nursing facilities according to the resident's clinical and functional status as reflected in data supplied by the facility's MDS with an ARD on or before September 30, 2025.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 2. Minnesota Statutes 2024, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(v) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed $1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed $1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

~~(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;~~

~~(g)~~ (f) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or $200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

~~(h)~~ (g) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of $200,000 or more;

~~(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;~~

~~(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434 or chapter 256R;~~

~~(k) to license and certify up to 20 new nursing home beds in a community operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;~~

~~(l)~~ (h) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed $1,000,000;

~~(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;~~

~~(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;~~

~~(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;~~

~~(p)~~ (i) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a $100 per bed reactivation fee~~. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:~~;

~~(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;~~

~~(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.~~

~~The property related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;~~

~~(q) to license and certify beds in a renovation and remodeling project to convert 12 four bed wards into 24 two bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;~~

~~(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138 bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status shall be the same as it was prior to relocation. The nursing facility's property related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed $2,490,000;~~

~~(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;~~

~~(t)~~ (j) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657~~. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.~~;

~~The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;~~

~~(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;~~

~~(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;~~

~~(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of section 256R.27 and the reimbursement provisions of chapter 256R. Property-related reimbursement rates shall be determined under section 256R.26, taking into account any federal or state flood-related loans or grants provided to the facility;~~

~~(x) to license and certify to the licensee of a nursing home in Polk County that was destroyed by flood in 1997 replacement projects with a total of up to 129 beds, with at least 25 beds to be located in Polk County and up to 104 beds distributed among up to three other counties. These beds may only be distributed to counties with fewer than the median number of age-intensity adjusted beds per thousand, as most recently published by the commissioner of human services. If the licensee chooses to distribute beds outside of Polk County under this paragraph, prior to distributing the beds, the commissioner of health must approve the location in which the licensee plans to distribute the beds. The commissioner of health shall consult with the commissioner of human services prior to approving the location of the proposed beds. The licensee may combine these beds with beds relocated from other nursing facilities as provided in section 144A.073, subdivision 3c. The operating payment rates for the new nursing facilities shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, parts 9549.0010 to 9549.0080. Property-related reimbursement rates shall be determined under section 256R.26. If the replacement beds permitted under this paragraph are combined with beds from other nursing facilities, the rates shall be calculated as the weighted average of rates determined as provided in this paragraph and section 256R.50;~~

~~(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;~~

~~(z) to license and certify up to 150 nursing home beds to replace an existing 285-bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;~~

~~(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;~~

~~(bb) to license and certify a new facility in St. Louis County with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;~~

~~(cc)~~ (k) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary;

~~(dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;~~

~~(ee)~~ (l) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section 256R.40; or

~~(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of section 256R.27 and the reimbursement provisions of chapter 256R. Property related reimbursement rates shall be determined under section 256R.26, taking into account any federal or state flood-related loans or grants provided to the facility;~~

~~(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;~~

~~(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under chapter 256R and Minnesota Rules, parts 9549.0010 to 9549.0080; or~~

~~(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.~~

(m) to license or certify beds under the provisions previously coded as Minnesota Statutes 2024, section 144A.071, subdivision 4a, paragraphs (f), (i) to (k), (m) to (bb), and (dd) to (ii).

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

Sec. 3. Minnesota Statutes 2024, section 144A.071, subdivision 4d, is amended to read:

Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in consultation with the commissioner of human services, may approve a request for net savings from a consolidation of nursing facilities ~~which includes~~ to be applied to reduce the costs of a moratorium exception project application under section 144A.073, subdivision 2. For purposes of this subdivision, "consolidation" means the closure of one or more facilities and the upgrading of the physical plant of the remaining nursing facility or facilities~~, the costs of which exceed the threshold project limit under subdivision 2, clause (a). The commissioners shall consider the criteria in this section, section 144A.073, and section 256R.40, in approving or rejecting a consolidation proposal. In the event the commissioners approve the request, the commissioner of human services shall calculate an external fixed costs rate adjustment according to clauses (1) to (3):~~.

~~(1) the closure of beds shall not be eligible for a planned closure rate adjustment under section 256R.40, subdivision 5;~~

~~(2) the construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception adjustment under section 144A.073; and~~

~~(3) the payment rate for external fixed costs for a remaining facility or facilities shall be increased by an amount equal to 65 percent of the projected net cost savings to the state calculated in paragraph (b), divided by the state's medical assistance percentage of medical assistance dollars, and then divided by estimated medical assistance resident days, as determined in paragraph (c), of the remaining nursing facility or facilities in the request in this paragraph. The rate adjustment is effective on the first day of the month of January or July, whichever date occurs first following both the completion of the construction upgrades in the consolidation plan and the complete closure of the facility or facilities designated for closure in the consolidation plan. If more than one facility is receiving upgrades in the consolidation plan, each facility's date of construction completion must be evaluated separately.~~

(b) For purposes of calculating the net ~~cost~~ savings ~~to the state~~, the commissioner shall consider clauses (1) to ~~(7)~~ (6):

(1) the annual savings from estimated medical assistance payments from the net number of beds closed taking into consideration only beds that are in active service on the date of the request and that have been in active service for at least three years;

(2) the estimated annual cost of increased case load of individuals receiving services under the elderly waiver;

(3) the estimated annual cost of elderly waiver recipients receiving support under housing support under chapter 256I;

(4) the estimated annual cost of increased case load of individuals receiving services under the alternative care program;

(5) the annual loss of license surcharge payments on closed beds; and

~~(6) the savings from not paying planned closure rate adjustments that the facilities would otherwise be eligible for under section 256R.40; and~~

~~(7)~~ (6) the savings from not ~~paying external fixed costs payment rate adjustments~~ providing a rate adjustment from submission of renovation costs that would otherwise be eligible as threshold projects under section 256B.434, subdivision 4f.

~~(c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical assistance resident days of the remaining facility or facilities shall be computed assuming 95 percent occupancy multiplied by the historical percentage of medical assistance resident days of the remaining facility or facilities, as reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, multiplied by 365.~~

~~(d)~~ (c) For purposes of calculating net ~~cost of~~ savings ~~to the state~~ in paragraph (b), the average occupancy percentages will be those ~~reported~~ on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, and the average payment rates shall be calculated based on the approved payment rates in effect at the time the consolidation request is submitted.

~~(e) To qualify for the external fixed costs payment rate adjustment under this subdivision, the closing facilities shall:~~

~~(1) submit an application for closure according to section 256R.40, subdivision 2; and~~

~~(2) follow the resident relocation provisions of section 144A.161.~~

~~(f)~~ (d) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under subdivision 3 for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support.

~~(g) Projects approved on or after March 1, 2020, are not subject to paragraph (a), clauses (2) and (3), and paragraph (c). The 65~~ (e) Sixty-five percent of the projected net ~~cost~~ savings ~~to the state~~ calculated in paragraph (b) must be applied to the moratorium cost of the project and the remainder must be added to the moratorium funding under section 144A.073, subdivision 11.

~~(h)~~ (f) Consolidation project applications not approved by the commissioner prior to March 1, 2020, are subject to the moratorium process under section 144A.073, subdivision 2. ~~Upon request by the applicant, the commissioner may extend this deadline to August 1, 2020, so long as the facilities, bed numbers, and counties specified in the original application are not altered. Proposals from facilities seeking approval for a consolidation project prior to March 1, 2020, must be received by the commissioner no later than January 1, 2020. This paragraph expires August 1, 2020.~~

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

Sec. 4. Minnesota Statutes 2024, section 144A.1888, is amended to read:

144A.1888 REUSE OF FACILITIES.

Notwithstanding any local ordinance related to development, planning, or zoning to the contrary, the conversion or reuse of a nursing home that closes or that curtails, reduces, or changes operations shall be considered a conforming use permitted under local law, provided that the facility is converted to another long-term care service ~~approved by a regional planning group under section 256R.40~~ that serves a smaller number of persons than the number of persons served before the closure or curtailment, reduction, or change in operations.

Sec. 5. Minnesota Statutes 2024, section 245D.091, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 2024, section 245D.10, is amended by adding a subdivision to read:

Subd. 1a. **Prohibited condition of service provision.** A license holder is prohibited from requiring a person to have or obtain a guardian or conservator as a condition of receiving or continuing to receive services regulated under this chapter.

Sec. 7. Minnesota Statutes 2024, section 252.28, subdivision 2, is amended to read:

Subd. 2. **Rules; program standards; licenses.** The commissioner of human services shall:

(1) Establish uniform rules and program standards for each type of residential and day facility or service for persons with developmental disabilities, including state hospitals under control of the executive board and serving persons with developmental disabilities, and excluding persons with developmental disabilities residing with their families.

(2) Grant licenses according to the provisions of ~~Laws 1976, chapter 243, sections 2 to 13~~ chapter 245A.

Sec. 8. Minnesota Statutes 2024, section 252.41, subdivision 3, is amended to read:

Subd. 3. **Day services for adults with disabilities.** (a) "Day services for adults with disabilities" or "day services" means services that:

(1) include supervision, training, assistance, support, facility-based work-related activities, or other community-integrated activities designed and implemented in accordance with the support plan and support plan addendum required under sections 245D.02, ~~subdivision 4, paragraphs (b) and (c),~~ subdivisions 4b and 4c, and 256B.092, subdivision 1b, and Minnesota Rules, part 9525.0004, subpart 12, to help an adult reach and maintain the highest possible level of independence, productivity, and integration into the community;

(2) include day support services, prevocational services, ~~day training and habilitation services,~~ structured day services, and adult day services as defined in Minnesota's federally approved disability waiver plans; ~~and~~

(3) include day training and habilitation services; and

(4) are provided by a vendor licensed under sections 245A.01 to 245A.16, 245D.27 to 245D.31, 252.28, subdivision 2, or 252.41 to 252.46, or Minnesota Rules, parts 9525.1200 to 9525.1330, to provide day services.

(b) Day services reimbursable under this section do not include special education and related services as defined in the Education of the Individuals with Disabilities Act, United States Code, title 20, chapter 33, section 1401, clauses (6) and (17), or vocational services funded under section 110 of the Rehabilitation Act of 1973, United States Code, title 29, section 720, as amended.

(c) Day services do not include employment exploration, employment development, or employment support services as defined in the home and community-based services waivers for people with disabilities authorized under sections 256B.092 and 256B.49.

Sec. 9. Minnesota Statutes 2024, section 252.42, is amended to read:

252.42 SERVICE PRINCIPLES.

The design and delivery of services eligible for reimbursement should reflect the following principles:

(1) services must suit a person's chronological age and be provided in the least restrictive environment possible, consistent with the needs identified in the person's support plan and support plan addendum required under sections 245D.02, subdivisions 4b and 4c, and 256B.092, subdivision 1b, ~~and 245D.02, subdivision 4, paragraphs (b) and (c),~~ and Minnesota Rules, part 9525.0004, subpart 12;

(2) a person with a disability whose individual support plans and support plan addendums authorize employment or employment-related activities shall be given the opportunity to participate in employment and employment-related activities in which nondisabled persons participate;

(3) a person with a disability participating in work shall be paid wages commensurate with the rate for comparable work and productivity except as regional centers are governed by section 246.151;

(4) a person with a disability shall receive services which include services offered in settings used by the general public and designed to increase the person's active participation in ordinary community activities;

(5) a person with a disability shall participate in the patterns, conditions, and rhythms of everyday living and working that are consistent with the norms of the mainstream of society.

Sec. 10. Minnesota Statutes 2024, section 252.43, is amended to read:

252.43 COMMISSIONER'S DUTIES.

(a) The commissioner shall supervise lead agencies' provision of day services to adults with disabilities. The commissioner shall:

(1) determine the need for day ~~programs~~ services, except for adult day services, under sections 256B.4914 and 252.41 to 252.46 operated in a day services facility licensed under sections 245D.27 to 245D.31;

~~(2) establish payment rates as provided under section 256B.4914;~~

~~(3)~~ (2) adopt rules for the administration and provision of day services under sections 245A.01 to 245A.16; 252.28, subdivision 2; or 252.41 to 252.46; or Minnesota Rules, parts 9525.1200 to 9525.1330;

~~(4)~~ (3) enter into interagency agreements necessary to ensure effective coordination and provision of day services;

~~(5)~~ (4) monitor and evaluate the costs and effectiveness of day services; and

~~(6)~~ (5) provide information and technical help to lead agencies and vendors in their administration and provision of day services.

(b) A determination of need in paragraph (a), clause (1), shall not be required for a change in day service provider name or ownership.

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

Sec. 11. Minnesota Statutes 2024, section 252.44, is amended to read:

252.44 LEAD AGENCY BOARD RESPONSIBILITIES.

When the need for day services in a county or tribe has been determined under section ~~252.28~~ 252.43, the board of commissioners for that lead agency shall:

(1) authorize the delivery of day services according to the support plans and support plan addendums required as part of the lead agency's provision of case management services under sections ~~256B.0913, subdivision 8;~~ 256B.092, subdivision 1b~~;~~, and 256B.49, subdivision 15~~;~~, and ~~256S.10 and~~ Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) ensure that transportation is provided or arranged by the vendor in the most efficient and reasonable way possible; and

(3) monitor and evaluate the cost and effectiveness of the services.

Sec. 12. Minnesota Statutes 2024, section 252.45, is amended to read:

252.45 VENDOR'S DUTIES.

A day service vendor enrolled with the commissioner is responsible for items under clauses (1), (2), and (3), and extends only to the provision of services that are reimbursable under state and federal law. A vendor providing day services shall:

(1) provide the amount and type of services authorized in the individual service plan under the support plan and support plan addendum required under sections 245D.02, ~~subdivision 4, paragraphs (b) and (c)~~ subdivisions 4b and 4c, and 256B.092, subdivision 1b, and Minnesota Rules, part 9525.0004, subpart 12;

(2) design the services to achieve the outcomes assigned to the vendor in the support plan and support plan addendum required under sections 245D.02, ~~subdivision 4, paragraphs (a) and (b)~~ subdivisions 4b and 4c, and 256B.092, subdivision 1b, and Minnesota Rules, part 9525.0004, subpart 12;

(3) provide or arrange for transportation of persons receiving services to and from service sites;

(4) enter into agreements with community-based intermediate care facilities for persons with developmental disabilities to ensure compliance with applicable federal regulations; and

(5) comply with state and federal law.

Sec. 13. Minnesota Statutes 2024, section 252.46, subdivision 1a, is amended to read:

Subd. 1a. **Day training and habilitation rates.** (a) The commissioner shall establish ~~a statewide rate-setting methodology~~ rates for all day training and habilitation services ~~as provided under section 256B.4914. The rate-setting methodology must abide by the principles of transparency and equitability across the state. The methodology must involve a uniform process of structuring rates for each service and must promote quality and participant choice~~ and for transportation delivered as a part of day training and habilitation services.

(b) The commissioner shall consult with community partners prior to modifying rates under this subdivision.

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

Sec. 14. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

Subd. 29. **State medical review team.** (a) To ensure the timely processing of determinations of disability by the commissioner's state medical review team under sections 256B.055, subdivisions 7, paragraph (b), and 12, and 256B.057, subdivision 9, the commissioner shall review all medical evidence and seek information from providers, applicants, and enrollees to support the determination of disability where necessary. Disability shall be determined according to the rules of title XVI and title XIX of the Social Security Act and pertinent rules and policies of the Social Security Administration.

(b) Medical assistance providers must grant the state medical review team access to electronic health records held by the medical assistance providers, when available, to support efficient and accurate disability determinations.

(c) Medical assistance providers shall accept electronically signed authorizations to release medical records provided by the state medical review team.

~~(b)~~ (d) Prior to a denial or withdrawal of a requested determination of disability due to insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary and appropriate to a determination of disability, and (2) assist applicants and enrollees to obtain the evidence, including, but not limited to, medical examinations and electronic medical records.

~~(c)~~ (e) Any appeal made under section 256.045, subdivision 3, of a disability determination made by the state medical review team must be decided according to the timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal must be immediately reviewed by the chief human services judge.

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

Sec. 15. Minnesota Statutes 2024, section 256.9657, subdivision 7a, is amended to read:

Subd. 7a. **Withholding.** If any provider obligated to pay an annual surcharge under this section is more than two months delinquent in the timely payment of a monthly surcharge installment payment, the provisions in paragraphs (a) to (f) apply.

(a) The department may withhold some or all of the amount of the delinquent surcharge, together with any interest and penalties due and owing on those amounts, from any money the department owes to the provider. The department may, at its discretion, also withhold future surcharge installment payments from any money the department owes the provider as those installments become due and owing. The department may continue this withholding until the department determines there is no longer any need to do so.

(b) The department shall give prior notice of the department's intention to withhold by mailing or emailing a ~~written~~ notice to the provider at the address to which remittance advices are mailed, placing the notice in the provider's MN-ITS mailbox, or faxing a copy of the notice to the provider at least ten business days before the date of the first payment period for which the withholding begins. The notice may be sent by ordinary or certified mail, email, MN-ITS mailbox, or facsimile, and shall be deemed received as of the date of mailing or ~~receipt~~ issuance of the facsimile, email, MN-ITS mailbox, or distribution. The notice shall:

(1) state the amount of the delinquent surcharge;

(2) state the amount of the withholding per payment period;

(3) state the date on which the withholding is to begin;

(4) state whether the department intends to withhold future installments of the provider's surcharge payments;

(5) inform the provider of their rights to informally object to the proposed withholding and to appeal the withholding as provided for in this subdivision;

(6) state that the provider may prevent the withholding during the pendency of their appeal by posting a bond; and

(7) state other contents as the department deems appropriate.

(c) The provider may informally object to the withholding in writing anytime before the withholding begins. An informal objection shall not stay or delay the commencement of the withholding. The department may postpone the commencement of the withholding as deemed appropriate and shall not be required to give another notice at the end of the postponement and before commencing the withholding. The provider shall have the right to appeal any withholding from remittances by filing an appeal with Ramsey County District Court and serving notice of the appeal on the department within 30 days of the date of the written notice of the withholding. Notice shall be given and the appeal shall be heard no later than 45 days after the appeal is filed. In a hearing of the appeal, the department's action shall be sustained if the department proves the amount of the delinquent surcharges or overpayment the provider owes, plus any accrued interest and penalties, has not been repaid. The department may continue withholding for delinquent and current surcharge installment payments during the pendency of an appeal unless the provider posts a bond from a surety company licensed to do business in Minnesota in favor of the department in an amount equal to two times the provider's total annual surcharge payment for the fiscal year in which the appeal is filed with the department.

(d) The department shall refund any amounts due to the provider under any final administrative or judicial order or decree which fully and finally resolves the appeal together with interest on those amounts at the rate of three percent per annum simple interest computed from the date of each withholding, as soon as practical after entry of the order or decree.

(e) The commissioner, or the commissioner's designee, may enter into written settlement agreements with a provider to resolve disputes and other matters involving unpaid surcharge installment payments or future surcharge installment payments.

(f) Notwithstanding any law to the contrary, all unpaid surcharges, plus any accrued interest and penalties, shall be overpayments for purposes of section 256B.0641.

Sec. 16. Minnesota Statutes 2024, section 256B.092, subdivision 1a, is amended to read:

Subd. 1a. **Case management services.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application.

(b) Case management service activities provided to or arranged for a person include:

(1) development of the person-centered support plan under subdivision 1b;

(2) informing the individual or the individual's legal guardian or conservator, or parent if the person is a minor, of service options, including all service options available under the waiver plan;

(3) consulting with relevant medical experts or service providers;

(4) assisting the person in the identification of potential providers of chosen services, including:

(i) providers of services provided in a non-disability-specific setting;

(ii) employment service providers;

(iii) providers of services provided in settings that are not controlled by a provider; and

(iv) providers of financial management services;

(5) assisting the person to access services and assisting in appeals under section 256.045;

(6) coordination of services, if coordination is not provided by another service provider;

(7) evaluation and monitoring of the services identified in the support plan, which must incorporate at least one annual face-to-face visit by the case manager with each person; and

(8) reviewing support plans and providing the lead agency with recommendations for service authorization based upon the individual's needs identified in the support plan.

(c) Case management service activities that are provided to the person with a developmental disability shall be provided directly by county agencies or under contract. If a county agency contracts for case management services, the county agency must provide each recipient of home and community-based services who is receiving contracted case management services with the contact information the recipient may use to file a grievance with the county agency about the quality of the contracted services the recipient is receiving from a county-contracted case manager. If a county agency provides case management under contracts with other individuals or agencies and the county agency utilizes a competitive proposal process for the procurement of contracted case management services, the competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the population of the county. For the purposes of this section, "culturally responsive program" means a case management services program that: (1) ensures effective, equitable, comprehensive, and respectful quality care services that are responsive to individuals within a specific population's values, beliefs, practices, health literacy, preferred language, and other communication needs; and (2) is designed to address the unique needs of individuals who share a common language or racial, ethnic, or social background.

(d) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has a financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

(e) Case managers are responsible for service provisions listed in paragraphs (a) and (b). Case managers shall collaborate with consumers, families, legal representatives, and relevant medical experts and service providers in the development and annual review of the person-centered support plan and habilitation plan.

(f) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

(1) phasing out the use of prohibited procedures;

(2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and

(3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(g) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, informed decision making, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. Case managers must annually complete an informed choice curriculum and pass a competency evaluation, in a form determined by the commissioner, on informed decision-making standards. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers must document completion of training in a system identified by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 17. Minnesota Statutes 2024, section 256B.092, subdivision 11a, is amended to read:

Subd. 11a. **Residential support services criteria.** (a) For the purposes of this subdivision, "residential support services" means the following residential support services reimbursed under section 256B.4914: community residential services, customized living services, and 24-hour customized living services.

(b) In order to increase independent living options for people with disabilities and in accordance with section 256B.4905, subdivisions ~~3 and 4~~ 7 and 8, and consistent with section 245A.03, subdivision 7, the commissioner must establish and implement criteria to access residential support services. The criteria for accessing residential support services must prohibit the commissioner from authorizing residential support services unless at least all of the following conditions are met:

(1) the individual has complex behavioral health or complex medical needs; and

(2) the individual's service planning team has considered all other available residential service options and determined that those options are inappropriate to meet the individual's support needs.

(c) Nothing in this subdivision shall be construed as permitting the commissioner to establish criteria prohibiting the authorization of residential support services for individuals described in the statewide priorities established in subdivision 12, the transition populations in subdivision 13, and the licensing moratorium exception criteria under section 245A.03, subdivision 7, paragraph (a).

(d) Individuals with active service agreements for residential support services on the date that the criteria for accessing residential support services become effective are exempt from the requirements of this subdivision, and the exemption from the criteria for accessing residential support services continues to apply for renewals of those service agreements.

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

Sec. 18. Minnesota Statutes 2024, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application. The case management service activities provided must include:

(1) finalizing the person-centered written support plan within the timelines established by the commissioner and section 256B.0911, subdivision 29;

(2) informing the recipient or the recipient's legal guardian or conservator of service options, including all service options available under the waiver plans;

(3) assisting the recipient in the identification of potential service providers of chosen services, including:

(i) available options for case management service and providers;

(ii) providers of services provided in a non-disability-specific setting;

(iii) employment service providers;

(iv) providers of services provided in settings that are not community residential settings; and

(v) providers of financial management services;

(4) assisting the recipient to access services and assisting with appeals under section 256.045; and

(5) coordinating, evaluating, and monitoring of the services identified in the service plan.

(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including:

(1) finalizing the person-centered support plan;

(2) ongoing assessment and monitoring of the person's needs and adequacy of the approved person-centered support plan; and

(3) adjustments to the person-centered support plan.

(c) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. If a county agency provides case management under contracts with other individuals or agencies and the county agency utilizes a competitive proposal process for the procurement of contracted case management services, the competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the population of the county. For the purposes of this section, "culturally responsive program" means a case management services program that: (1) ensures effective, equitable, comprehensive, and respectful quality care services that are responsive to individuals within a specific population's values, beliefs, practices, health literacy, preferred language, and other communication needs; and (2) is designed to address the unique needs of individuals who share a common language or racial, ethnic, or social background.

(d) Case management services must not be provided to a recipient by a private agency that has any financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

(e) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

(1) phasing out the use of prohibited procedures;

(2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and

(3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(f) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, informed decision making, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. Case managers must annually complete an informed choice curriculum and pass a competency evaluation, in a form determined by the commissioner, on informed decision-making standards. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers shall document completion of training in a system identified by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 19. Minnesota Statutes 2024, section 256B.49, subdivision 29, is amended to read:

Subd. 29. **Residential support services criteria.** (a) For the purposes of this subdivision, "residential support services" means the following residential support services reimbursed under section 256B.4914: community residential services, customized living services, and 24-hour customized living services.

(b) In order to increase independent living options for people with disabilities and in accordance with section 256B.4905, subdivisions ~~3 and 4~~ 7 and 8, and consistent with section 245A.03, subdivision 7, the commissioner must establish and implement criteria to access residential support services. The criteria for accessing residential support services must prohibit the commissioner from authorizing residential support services unless at least all of the following conditions are met:

(1) the individual has complex behavioral health or complex medical needs; and

(2) the individual's service planning team has considered all other available residential service options and determined that those options are inappropriate to meet the individual's support needs.

(c) Nothing in this subdivision shall be construed as permitting the commissioner to establish criteria prohibiting the authorization of residential support services for individuals described in the statewide priorities established in subdivision ~~12~~ 11a, the transition populations in subdivision ~~13~~ 24, and the licensing moratorium exception criteria under section 245A.03, subdivision 7, paragraph (a).

~~(c)~~ (d) Individuals with active service agreements for residential support services on the date that the criteria for accessing residential support services become effective are exempt from the requirements of this subdivision, and the exemption from the criteria for accessing residential support services continues to apply for renewals of those service agreements.

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

Sec. 20. Minnesota Statutes 2024, section 256B.4911, subdivision 6, is amended to read:

Subd. 6. **Services provided by parents and spouses.** (a) This subdivision limits medical assistance payments under the consumer-directed community supports option for personal assistance services provided by a parent to the parent's minor child or by a participant's spouse. This subdivision applies to the consumer-directed community supports option available under all of the following:

(1) alternative care program;

(2) brain injury waiver;

(3) community alternative care waiver;

(4) community access for disability inclusion waiver;

(5) developmental disabilities waiver; and

(6) elderly waiver.

(b) For the purposes of this subdivision, "parent" means a parent, stepparent, or legal guardian of a minor.

(c) If multiple parents are providing personal assistance services to their minor child or children, each parent may provide up to 40 hours of personal assistance services in any seven-day period regardless of the number of children served. The total number of hours of medical assistance home and community-based services provided by all of the parents must not exceed 80 hours in a seven-day period regardless of the number of children served.

(d) If only one parent is providing personal assistance services to a minor child or children, the parent may provide up to 60 hours of medical assistance home and community-based services in a seven-day period regardless of the number of children served.

(e) Subject to the hour limits in paragraphs (c) and (d), a parent may provide personal assistance services to a minor child while traveling temporarily out of state if the minor child has an assessed activity of daily living dependency requiring supervision, direction, cueing, or hands-on assistance.

(f) If a participant's spouse is providing personal assistance services, the spouse may provide up to 60 hours of medical assistance home and community-based services in a seven-day period.

~~(f)~~ (g) This subdivision must not be construed to permit an increase in the total authorized consumer-directed community supports budget for an individual.

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

Sec. 21. Minnesota Statutes 2024, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with ~~stakeholders~~ community partners identified in subdivision 17, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost data submitted under paragraph (a). The commissioner shall release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law.

(e) Beginning January 1, 2029, the commissioner shall use data collected in paragraph (a) to determine the compliance with requirements identified under subdivision 10d. The commissioner shall identify providers who have not met the thresholds identified under subdivision 10d on the Department of Human Services website for the year for which the providers reported their costs.

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

Sec. 22. Minnesota Statutes 2024, section 256B.4914, subdivision 10d, is amended to read:

Subd. 10d. **Direct care staff; compensation.** (a) A provider paid with rates determined under subdivision 6 must use a minimum of 66 percent of the revenue generated by rates determined under that subdivision for direct care staff compensation.

(b) A provider paid with rates determined under subdivision 7 must use a minimum of 45 percent of the revenue generated by rates determined under that subdivision for direct care staff compensation.

(c) A provider paid with rates determined under subdivision 8 or 9 must use a minimum of 60 percent of the revenue generated by rates determined under those subdivisions for direct care staff compensation.

(d) Compensation under this subdivision includes:

(1) wages;

(2) taxes and workers' compensation;

(3) health insurance;

(4) dental insurance;

(5) vision insurance;

(6) life insurance;

(7) short-term disability insurance;

(8) long-term disability insurance;

(9) retirement spending;

(10) tuition reimbursement;

(11) wellness programs;

(12) paid vacation time;

(13) paid sick time; or

(14) other items of monetary value provided to direct care staff.

(e) This subdivision does not apply to a provider licensed as an assisted living facility by the commissioner of health under chapter 144G.

(f) This subdivision is effective January 1, 2029, and applies to services provided on or after that date.

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

Sec. 23. Minnesota Statutes 2024, section 256B.4914, subdivision 17, is amended to read:

Subd. 17. **~~Stakeholder~~ Community consultation and ~~county~~ training.** (a) The commissioner shall continue consultation at regular intervals with the ~~existing stakeholder group~~ DWRS advisory committee established as part of the rate-setting methodology process and ~~others~~ other community partners, to gather input, concerns, and data, to assist in the implementation of the rate payment system, and to make pertinent information available to the public through the department's website.

(b) The commissioner shall offer training at least annually for county personnel responsible for administering the rate-setting framework in a manner consistent with this section.

(c) The commissioner shall maintain an online instruction manual explaining the rate-setting framework. The manual ~~shall~~ must be consistent with this section, and ~~shall~~ must be accessible to ~~all stakeholders including~~ recipients, representatives of recipients, county or Tribal agencies, and license holders.

(d) The commissioner shall not defer to the county or Tribal agency on matters of technical application of the rate-setting framework, and a county or Tribal agency ~~shall~~ must not set rates in a manner that conflicts with this section.

(e) The commissioner must consult with the DWRS advisory committee and other community partners as required under this subdivision to periodically review, update, and revise the format by which initiators of rate exception requests and lead agencies collect and submit information about individuals with exceptional needs under subdivision 14.

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

Sec. 24. Minnesota Statutes 2024, section 256R.02, subdivision 18, is amended to read:

Subd. 18. **Employer health insurance costs.** "Employer health insurance costs" means:

(1) premium expenses for group coverage;

(2) actual expenses incurred for self-insured plans, including actual claims paid, stop-loss premiums, and plan fees. Actual expenses incurred for self-insured plans does not include allowances for future funding unless the plan meets the ~~Medicare~~ provider reimbursement manual requirements for reporting on a premium basis when the ~~Medicare~~ provider reimbursement manual regulations define the actual costs; and

(3) employer contributions to employer-sponsored individual coverage health reimbursement arrangements as provided by Code of Federal Regulations, title 45, section 146.123, employee health reimbursement accounts, and health savings accounts.

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

Sec. 25. Minnesota Statutes 2024, section 256R.02, subdivision 19, is amended to read:

Subd. 19. **External fixed costs.** "External fixed costs" means ~~costs related to the nursing home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122; family advisory council fee under section 144A.33; scholarships under section 256R.37; planned closure rate adjustments under section 256R.40; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d; single bed room incentives under section 256R.41; property taxes, special assessments, and payments in lieu of~~

~~taxes; employer health insurance costs; quality improvement incentive payment rate adjustments under section 256R.39; performance based incentive payments under section 256R.38; special dietary needs under section 256R.51; Public Employees Retirement Association employer costs; and border city rate adjustments under section 256R.481~~ the items described in section 256R.25.

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

Sec. 26. Minnesota Statutes 2024, section 256R.02, subdivision 22, is amended to read:

Subd. 22. **Fringe benefit costs.** "Fringe benefit costs" means the costs for group life~~,~~; dental~~,~~; workers' compensation~~,~~; short- and long-term disability~~,~~; long-term care insurance~~,~~; accident insurance~~,~~; supplemental insurance~~,~~; legal assistance insurance~~,~~; profit sharing~~,~~; child care costs~~,~~; health insurance costs not covered under subdivision 18, including costs associated with eligible part-time employee family members or retirees~~,~~; and pension and retirement plan contributions, except for the Public Employees Retirement Association costs.

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

Sec. 27. Minnesota Statutes 2024, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

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

(b) For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to $8.86 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to $8.86 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

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

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

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

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

(g) The portion related to consolidation rate adjustments shall be as determined under section ~~144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d~~ 256R.405.

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

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

(j) The portion related to employer health insurance costs is the allowable costs divided by the sum of the facility's resident days.

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 2024, section 256R.38, is amended to read:

256R.38 PERFORMANCE-BASED INCENTIVE PAYMENTS.

The commissioner shall develop additional incentive-based payments of up to five percent above a facility's operating payment rate for achieving outcomes specified in a contract. The commissioner may solicit proposals and select those which, on a competitive basis, best meet the state's policy objectives. The commissioner shall limit the amount of any incentive payment and the number of contract amendments under this section to operate the incentive payments within funds appropriated for this purpose. The commissioner shall approve proposals through a memorandum of understanding which shall specify various levels of payment for various levels of performance. Incentive payments to facilities under this section shall be in the form of time-limited rate adjustments which shall be included in the external fixed <u>costs</u> payment rate under section 256R.25. In establishing the specified outcomes and related criteria, the commissioner shall consider the following state policy objectives:

(1) successful diversion or discharge of residents to the residents' prior home or other community-based alternatives;

(2) adoption of new technology to improve quality or efficiency;

(3) improved quality as measured in the Minnesota Nursing Home Report Card;

(4) reduced acute care costs; and

(5) any additional outcomes proposed by a nursing facility that the commissioner finds desirable.

Sec. 29. Minnesota Statutes 2024, section 256R.40, subdivision 5, is amended to read:

Subd. 5. **Planned closure rate adjustment.** (a) The commissioner shall calculate the amount of the planned closure rate adjustment available under subdivision 6 according to clauses (1) to (4):

(1) the amount available is the net reduction of nursing facility beds multiplied by $2,080;

(2) the total number of beds in the nursing facility or facilities receiving the planned closure rate adjustment must be identified;

(3) capacity days are determined by multiplying the number determined under clause (2) by 365; and

(4) the planned closure rate adjustment is the amount available in clause (1), divided by capacity days determined under clause (3).

(b) A planned closure rate adjustment under this section is effective on the first day of the month of January or July, whichever occurs immediately following completion of closure of the facility designated for closure in the application and becomes part of the nursing facility's external fixed costs payment rate.

(c) Upon the request of a closing facility, the commissioner must allow the facility a closure rate adjustment as provided under section 144A.161, subdivision 10.

(d) A facility that has received a planned closure rate adjustment may reassign it to another facility that is under the same ownership at any time within three years of its effective date. The amount of the adjustment is computed according to paragraph (a).

(e) If the per bed dollar amount specified in paragraph (a), clause (1), is increased, the commissioner shall recalculate planned closure rate adjustments for facilities that delicense beds under this section on or after July 1, 2001, to reflect the increase in the per bed dollar amount. The recalculated planned closure rate adjustment is effective from the date the per bed dollar amount is increased.

Sec. 30. **[256R.405] CONSOLIDATION RATES.**

Subdivision 1. **Consolidation rates; generally.** The external fixed costs payment rate for nursing facilities that have completed a state-approved consolidation project must include a consolidation rate adjustment. A facility's consolidation rate adjustment expires upon transition to a fair rental value property payment rate under section 256R.26, subdivision 9. The commissioner must inform the revisor of statutes when a facility's consolidation rate adjustment specified under this section expires. This subdivision expires upon the expiration of all other subdivisions of this section.

Subd. 2. **Owatonna.** The consolidation rate for the nursing facility located at 2255 30th Street Northwest in Owatonna is $33.88.

Subd. 3. **Red Wing.** The consolidation rate for the nursing facility located at 213 Pioneer Road in Red Wing is $73.69.

Subd. 4. **White Bear Lake.** The consolidation rate for the nursing facility located at 1891 Florence Street in White Bear Lake is $25.56.

Subd. 5. **St. Paul.** The consolidation rate for the nursing facility located at 200 Earl Street in St. Paul is $68.01.

Subd. 6. **Cambridge.** The consolidation rate for the nursing facility located at 135 Fern Street North in Cambridge is $24.30.

Subd. 7. **Maple Plain.** The consolidation rate for the nursing facility located at 4848 Gateway Boulevard in Maple Plain is $38.76.

Subd. 8. **Maplewood.** The consolidation rate for the nursing facility located at 1438 County Road C East in Maplewood is $55.63.

Subd. 9. **Apple Valley.** The consolidation rate for the nursing facility located at 14650 Garrett Avenue in Apple Valley is $26.99.

Sec. 31. **REPEALER.**

Minnesota Statutes 2024, section 144A.071, subdivision 4c, is repealed.

ARTICLE 2
DEPARTMENT OF HEALTH POLICY

Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 3a, is amended to read:

Subd. 3a. **Resident case mix reimbursement classifications.** (a) Resident case mix reimbursement classifications shall be based on the Minimum Data Set, version 3.0 assessment instrument, or its successor version mandated by the Centers for Medicare and Medicaid Services that nursing facilities are required to complete for all residents. Case mix reimbursement classifications shall also be based on assessments required under subdivision 4. Assessments must be completed according to the Long Term Care Facility Resident Assessment Instrument User's Manual Version 3.0 or a successor manual issued by the Centers for Medicare and Medicaid Services. ~~The optional state assessment must be completed according to the OSA Manual Version 1.0 v.2.~~

(b) Each resident must be classified based on the information from the Minimum Data Set according to the general categories issued by the Minnesota Department of Health, utilized for reimbursement purposes.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 2. Minnesota Statutes 2024, section 144.0724, subdivision 4, is amended to read:

Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and electronically submit to the federal database MDS assessments that conform with the assessment schedule defined by the Long Term Care Facility Resident Assessment Instrument User's Manual, version 3.0, or its successor issued by the Centers for Medicare and Medicaid Services. The commissioner of health may substitute successor manuals or question and answer documents published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, to replace or supplement the current version of the manual or document.

(b) The assessments required ~~under the Omnibus Budget Reconciliation Act of 1987 (OBRA) used~~ to determine a case mix reimbursement classification include:

(1) a new admission comprehensive assessment, which must have an assessment reference date (ARD) within 14 calendar days after admission, excluding readmissions;

(2) an annual comprehensive assessment, which must have an ARD within 92 days of a previous quarterly review assessment or a previous comprehensive assessment, which must occur at least once every 366 days;

(3) a significant change in status comprehensive assessment, which must have an ARD within 14 days after the facility determines, or should have determined, that there has been a significant change in the resident's physical or mental condition, whether an improvement or a decline, and regardless of the amount of time since the last comprehensive assessment or quarterly review assessment;

(4) a significant change in status comprehensive assessment when isolation for an infectious disease has ended. If isolation was not coded on the most recent assessment completed prior to isolation ending, then the significant change in status comprehensive assessment under this clause is not required. The ARD for assessments under this clause must be set on day 15 after isolation has ended;

(5) a quarterly review assessment must have an ARD within 92 days of the ARD of the previous quarterly review assessment or a previous comprehensive assessment;

~~(5)~~ (6) any significant correction to a prior comprehensive assessment, if the assessment being corrected is the current one being used for reimbursement classification;

~~(6)~~ (7) any significant correction to a prior quarterly review assessment, if the assessment being corrected is the current one being used for reimbursement classification; and

~~(7)~~ (8) any modifications to the most recent assessments under clauses (1) to ~~(6)~~ (7).

~~(c) The optional state assessment must accompany all OBRA assessments. The optional state assessment is also required to determine reimbursement when:~~

~~(1) all speech, occupational, and physical therapies have ended. If the most recent optional state assessment completed does not result in a rehabilitation case mix reimbursement classification, then the optional state assessment is not required. The ARD of this assessment must be set on day eight after all therapy services have ended; and~~

~~(2) isolation for an infectious disease has ended. If isolation was not coded on the most recent optional state assessment completed, then the optional state assessment is not required. The ARD of this assessment must be set on day 15 after isolation has ended.~~

~~(d)~~ (c) In addition to the assessments listed in ~~paragraphs~~ paragraph (b) ~~and (c)~~, the assessments used to determine nursing facility level of care include the following:

(1) preadmission screening completed under section 256.975, subdivisions 7a to 7c, by the Senior LinkAge Line or other organization under contract with the Minnesota Board on Aging; and

(2) a nursing facility level of care determination as provided for under section 256B.0911, subdivision 26, as part of a face-to-face long-term care consultation assessment completed under section 256B.0911, by a county, tribe, or managed care organization under contract with the Department of Human Services.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 3. Minnesota Statutes 2024, section 144.0724, subdivision 8, is amended to read:

Subd. 8. **Request for reconsideration of resident classifications.** (a) The resident, the resident's representative, the nursing facility, or the boarding care home may request that the commissioner of health reconsider the assigned case mix reimbursement classification and any item or items changed during the audit process. The request for reconsideration must be submitted in writing to the commissioner of health.

(b) For reconsideration requests initiated by the resident or the resident's representative:

(1) The resident or the resident's representative must submit in writing a reconsideration request to the facility administrator within 30 days of receipt of the resident classification notice. The written request must include the reasons for the reconsideration request.

(2) Within three business days of receiving the reconsideration request, the nursing facility must submit to the commissioner of health a completed reconsideration request form, a copy of the resident's or resident's representative's written request, and all supporting documentation used to complete the assessment being reconsidered. If the facility fails to provide the required information, the reconsideration will be completed with the information submitted and the facility cannot make further reconsideration requests on this classification.

(3) Upon written request and within three business days, the nursing facility must give the resident or the resident's representative a copy of the assessment being reconsidered and all supporting documentation used to complete the assessment. Notwithstanding any law to the contrary, the facility may not charge a fee for providing copies of the requested documentation. If a facility fails to provide the required documents within this time, it is subject to the issuance of a correction order and penalty assessment under sections 144.653 and 144A.10. Notwithstanding those sections, any correction order issued under this subdivision must require that the nursing facility immediately comply with the request for information, and as of the date of the issuance of the correction order, the facility shall forfeit to the state a $100 fine for the first day of noncompliance, and an increase in the $100 fine by $50 increments for each day the noncompliance continues.

(c) For reconsideration requests initiated by the facility:

(1) The facility is required to inform the resident or the resident's representative in writing that a reconsideration of the resident's case mix reimbursement classification is being requested. The notice must inform the resident or the resident's representative:

(i) of the date and reason for the reconsideration request;

(ii) of the potential for a case mix reimbursement classification change and subsequent rate change;

(iii) of the extent of the potential rate change;

(iv) that copies of the request and supporting documentation are available for review; and

(v) that the resident or the resident's representative has the right to request a reconsideration also.

(2) Within 30 days of receipt of the audit exit report or resident classification notice, the facility must submit to the commissioner of health a completed reconsideration request form, all supporting documentation used to complete the assessment being reconsidered, and a copy of the notice informing the resident or the resident's representative that a reconsideration of the resident's classification is being requested.

(3) If the facility fails to provide the required information, the reconsideration request may be denied and the facility may not make further reconsideration requests on this classification.

(d) Reconsideration by the commissioner must be made by individuals not involved in reviewing the assessment, audit, or reconsideration that established the disputed classification. The reconsideration must be based upon the assessment that determined the classification and upon the information provided to the commissioner of health under paragraphs (a) to (c). If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. Within 15 business days of receiving the request for reconsideration, the commissioner shall affirm or

modify the original resident classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect characteristics of the resident at the time of the assessment. The commissioner must transmit the reconsideration classification notice by electronic means to the nursing facility. The nursing facility is responsible for the distribution of the notice to the resident or the resident's representative. The notice must be distributed by the nursing facility within three business days after receipt. A decision by the commissioner under this subdivision is the final administrative decision of the agency for the party requesting reconsideration.

(e) The case mix reimbursement classification established by the commissioner shall be the classification which applies to the resident while the request for reconsideration is pending. If a request for reconsideration applies to an assessment used to determine nursing facility level of care under subdivision 4, paragraph ~~(d)~~ (c), the resident shall continue to be eligible for nursing facility level of care while the request for reconsideration is pending.

(f) The commissioner may request additional documentation regarding a reconsideration necessary to make an accurate reconsideration determination.

(g) Data collected as part of the reconsideration process under this section is classified as private data on individuals and nonpublic data pursuant to section 13.02. Notwithstanding the classification of these data as private or nonpublic, the commissioner is authorized to share these data with the U.S. Centers for Medicare and Medicaid Services and the commissioner of human services as necessary for reimbursement purposes.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 4. Minnesota Statutes 2024, section 144.0724, subdivision 9, is amended to read:

Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident assessments performed under section 256R.17 through any of the following: desk audits; on-site review of residents and their records; and interviews with staff, residents, or residents' families. The commissioner shall reclassify a resident if the commissioner determines that the resident was incorrectly classified.

(b) The commissioner is authorized to conduct on-site audits on an unannounced basis.

(c) A facility must grant the commissioner access to examine the medical records relating to the resident assessments selected for audit under this subdivision. The commissioner may also observe and speak to facility staff and residents.

(d) The commissioner shall consider documentation under the time frames for coding items on the minimum data set as set out in the Long-Term Care Facility Resident Assessment Instrument User's Manual ~~or OSA Manual version 1.0 v.2 published by the Centers for Medicare and Medicaid Services~~.

(e) The commissioner shall develop an audit selection procedure that includes the following factors:

(1) Each facility shall be audited annually. If a facility has two successive audits in which the percentage of change is five percent or less and the facility has not been the subject of a special audit in the past 36 months, the facility may be audited biannually. A stratified sample of 15 percent, with a minimum of ten assessments, of the most current assessments shall be selected for audit. If more than 20 percent of the case mix reimbursement classifications are changed as a result of the audit, the audit shall be expanded to a second 15 percent sample, with a minimum of ten assessments. If the total change between the first and second samples is 35 percent or greater, the commissioner may expand the audit to all of the remaining assessments.

(2) If a facility qualifies for an expanded audit, the commissioner may audit the facility again within six months. If a facility has two expanded audits within a 24-month period, that facility will be audited at least every six months for the next 18 months.

(3) The commissioner may conduct special audits if the commissioner determines that circumstances exist that could alter or affect the validity of case mix reimbursement classifications of residents. These circumstances include, but are not limited to, the following:

(i) frequent changes in the administration or management of the facility;

(ii) an unusually high percentage of residents in a specific case mix reimbursement classification;

(iii) a high frequency in the number of reconsideration requests received from a facility;

(iv) frequent adjustments of case mix reimbursement classifications as the result of reconsiderations or audits;

(v) a criminal indictment alleging provider fraud;

(vi) other similar factors that relate to a facility's ability to conduct accurate assessments;

(vii) an atypical pattern of scoring minimum data set items;

(viii) nonsubmission of assessments;

(ix) late submission of assessments; or

(x) a previous history of audit changes of 35 percent or greater.

(f) If the audit results in a case mix reimbursement classification change, the commissioner must transmit the audit classification notice by electronic means to the nursing facility within 15 business days of completing an audit. The nursing facility is responsible for distribution of the notice to each resident or the resident's representative. This notice must be distributed by the nursing facility within three business days after receipt. The notice must inform the resident of the case mix reimbursement classification assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, the opportunity to request a reconsideration of the classification, and the address and telephone number of the Office of Ombudsman for Long-Term Care.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 5. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

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

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

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

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

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

(5) the person has had a qualifying nursing facility stay of at least 90 days;

(6) the person meets the nursing facility level of care criteria determined 90 days after admission or on the first quarterly assessment after admission, whichever is later; or

(7) the person is determined to be at risk for nursing facility admission or readmission through a face-to-face long-term care consultation assessment as specified in section 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care organization under contract with the Department of Human Services. The person is considered at risk under this clause if the person currently lives alone or will live alone or be homeless without the person's current housing and also meets one of the following criteria:

(i) the person has experienced a fall resulting in a fracture;

(ii) the person has been determined to be at risk of maltreatment or neglect, including self-neglect; or

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

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

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

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 6. Minnesota Statutes 2024, section 144.651, subdivision 10a, is amended to read:

Subd. 10a. **Designated support person ~~for pregnant patient or other patient~~.** (a) Subject to paragraph (c), a health care provider and a health care facility must allow, at a minimum, one designated support person chosen by a patient, including but not limited to a pregnant patient, to be physically present while the patient is receiving health care services including during a hospital stay. Subject to paragraph (c), a facility must allow, at a minimum, one designated support person chosen by the resident to be physically present with the resident at times of the resident's choosing while the resident resides at the facility.

(b) For purposes of this subdivision, "designated support person" means any person chosen by the patient or resident to provide comfort to the patient or resident, including but not limited to the patient's or resident's spouse, partner, family member, or another person related by affinity. Certified doulas and traditional midwives may not be counted toward the limit of one designated support person.

(c) A facility may restrict or prohibit the presence of a designated support person in treatment rooms, procedure rooms, and operating rooms when such a restriction or prohibition is strictly necessary to meet the appropriate standard of care. A facility may also restrict or prohibit the presence of a designated support person if the designated support person is acting in a violent or threatening manner toward others. A facility may restrict the presence of a resident's designated support person to the extent necessary to ensure a designated support person who is not a facility resident is not living at the facility on a short-term or long-term basis. Any restriction or prohibition of a designated support person by the facility is subject to the facility's written internal grievance procedure required by subdivision 20.

(d) This subdivision does not apply to a patient or resident at a state-operated treatment program as defined in section 253B.02, subdivision 18d.

Sec. 7. Minnesota Statutes 2024, section 144A.61, is amended by adding a subdivision to read:

Subd. 3b. **Commissioner approval of curricula for medication administration.** The commissioner of health must review and approve curricula that meet the requirements in Minnesota Rules, part 4658.1360, subpart 2, item B, to train unlicensed personnel in medication administration. Significant updates or amendments, including but not limited to changes to the standards of practice to the curricula, must be approved by the commissioner.

Sec. 8. Minnesota Statutes 2024, section 144A.61, is amended by adding a subdivision to read:

Subd. 3c. **Approved curricula.** The commissioner must maintain a current list of acceptable medication administration curricula to be used for medication aide training programs for employees of nursing homes and certified boarding care homes on the department's website that are based on current best practice standards and meet the requirements of Minnesota Rules, part 4658.1360, subpart 2, item B.

Sec. 9. Minnesota Statutes 2024, section 144A.70, subdivision 3, is amended to read:

Subd. 3. **Controlling person.** "Controlling person" means a business entity or entities, officer, program administrator, or director, whose responsibilities include the management and decision-making authority to establish or control business policy and all other policies of a supplemental nursing services agency. Controlling person also means an individual who~~, directly or indirectly, beneficially owns an~~ has a direct ownership interest or indirect ownership interest in a corporation, partnership, or other business association that is ~~a controlling person~~ the registrant.

Sec. 10. Minnesota Statutes 2024, section 144A.70, is amended by adding a subdivision to read:

Subd. 3a. **Direct ownership interest.** "Direct ownership interest" means an individual or legal entity with at least five percent equity in capital, stock, or profits of the registrant or who is a member of a limited liability company of the registrant.

Sec. 11. Minnesota Statutes 2024, section 144A.70, is amended by adding a subdivision to read:

Subd. 4b. **Indirect ownership interest.** "Indirect ownership interest" means an individual or legal entity with a direct ownership interest in an entity that has a direct or indirect ownership interest of at least five percent in an entity that is a registrant.

Sec. 12. Minnesota Statutes 2024, section 144A.70, subdivision 7, is amended to read:

Subd. 7. **Oversight.** The commissioner is responsible for the oversight of supplemental nursing services agencies through ~~semiannual~~ unannounced surveys every two years and follow-up surveys, complaint investigations under sections 144A.51 to 144A.53, and other actions necessary to ensure compliance with sections 144A.70 to 144A.74.

Sec. 13. Minnesota Statutes 2024, section 144A.751, subdivision 1, is amended to read:

Subdivision 1. **Statement of rights.** An individual who receives hospice care has the right to:

(1) receive written information about rights in advance of receiving hospice care or during the initial evaluation visit before the initiation of hospice care, including what to do if rights are violated;

(2) receive care and services according to a suitable hospice plan of care and subject to accepted hospice care standards and to take an active part in creating and changing the plan and evaluating care and services;

(3) be told in advance of receiving care about the services that will be provided, the disciplines that will furnish care, the frequency of visits proposed to be furnished, other choices that are available, and the consequence of these choices, including the consequences of refusing these services;

(4) be told in advance, whenever possible, of any change in the hospice plan of care and to take an active part in any change;

(5) refuse services or treatment;

(6) know, in advance, any limits to the services available from a provider, and the provider's grounds for a termination of services;

(7) know in advance of receiving care whether the hospice services may be covered by health insurance, medical assistance, Medicare, or other health programs in which the individual is enrolled;

(8) receive, upon request, a good faith estimate of the reimbursement the provider expects to receive from the health plan company in which the individual is enrolled. A good faith estimate must also be made available at the request of an individual who is not enrolled in a health plan company. This payment information does not constitute a legally binding estimate of the cost of services;

(9) know that there may be other services available in the community, including other end of life services and other hospice providers, and know where to go for information about these services;

(10) choose freely among available providers and change providers after services have begun, within the limits of health insurance, medical assistance, Medicare, or other health programs;

(11) have personal, financial, and medical information kept private and be advised of the provider's policies and procedures regarding disclosure of such information;

(12) be allowed access to records and written information from records according to sections 144.291 to 144.298;

(13) be served by people who are properly trained and competent to perform their duties;

(14) be treated with courtesy and respect and to have the patient's property treated with respect;

(15) voice grievances regarding treatment or care that is, or fails to be, furnished or regarding the lack of courtesy or respect to the patient or the patient's property;

(16) be free from physical and verbal abuse;

(17) reasonable, advance notice of changes in services or charges, including at least ten days' advance notice of the termination of a service by a provider, except in cases where:

(i) the recipient of services engages in conduct that alters the conditions of employment between the hospice provider and the individual providing hospice services, or creates an abusive or unsafe work environment for the individual providing hospice services;

(ii) an emergency for the informal caregiver or a significant change in the recipient's condition has resulted in service needs that exceed the current service provider agreement and that cannot be safely met by the hospice provider; or

(iii) the recipient is no longer certified as terminally ill;

(18) a coordinated transfer when there will be a change in the provider of services;

(19) know how to contact an individual associated with the provider who is responsible for handling problems and to have the provider investigate and attempt to resolve the grievance or complaint;

(20) know the name and address of the state or county agency to contact for additional information or assistance;

(21) assert these rights personally, or have them asserted by the hospice patient's family when the patient has been judged incompetent, without retaliation; ~~and~~

(22) have pain and symptoms managed to the patient's desired level of comfort, including ensuring appropriate medications are readily available to the patient;

(23) revoke hospice election at any time; and

(24) receive curative treatment for any condition unrelated to the condition that qualified the individual for hospice, in collaboration with the hospice provider if possible, while remaining on hospice election.

Sec. 14. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 55a. **Registered nurse.** "Registered nurse" has the meaning given in section 148.171, subdivision 20.

Sec. 15. Minnesota Statutes 2024, section 144G.10, subdivision 1, is amended to read:

Subdivision 1. **License required.** (a)(1) Beginning August 1, 2021, no assisted living facility may operate in Minnesota unless it is licensed under this chapter.

(2) No facility or building on a campus may provide assisted living services until obtaining the required license under paragraphs (c) to (e).

(b) The licensee is legally responsible for the management, control, and operation of the facility, regardless of the existence of a management agreement or subcontract. Nothing in this chapter shall in any way affect the rights and remedies available under other law.

(c) Upon approving an application for an assisted living facility license, the commissioner shall issue a single license for each building that is operated by the licensee as an assisted living facility and is located at a separate address, except as provided under paragraph (d) or (e). If a portion of a licensed assisted living facility building is utilized by an unlicensed entity or an entity with a license type not granted under this chapter, the licensed assisted

living facility must ensure there is at least a vertical two-hour fire barrier as defined by the National Fire Protection Association Standard 101, Life Safety Code, between any licensed assisted living facility areas and unlicensed entity areas of the building and between the licensed assisted living facility areas and any licensed areas subject to another license type.

(d) Upon approving an application for an assisted living facility license, the commissioner may issue a single license for two or more buildings on a campus that are operated by the same licensee as an assisted living facility. An assisted living facility license for a campus must identify the address and licensed resident capacity of each building located on the campus in which assisted living services are provided.

(e) Upon approving an application for an assisted living facility license, the commissioner may:

(1) issue a single license for two or more buildings on a campus that are operated by the same licensee as an assisted living facility with dementia care, provided the assisted living facility for dementia care license for a campus identifies the buildings operating as assisted living facilities with dementia care; or

(2) issue a separate assisted living facility with dementia care license for a building that is on a campus and that is operating as an assisted living facility with dementia care.

Sec. 16. Minnesota Statutes 2024, section 144G.10, subdivision 1a, is amended to read:

Subd. 1a. **Assisted living director license required.** Each assisted living facility must employ an assisted living director who is licensed or permitted by the Board of Executives for Long Term Services and Supports and affiliated as the director of record with the board.

Sec. 17. Minnesota Statutes 2024, section 144G.10, subdivision 5, is amended to read:

Subd. 5. **Protected title; restriction on use.** (a) Effective January 1, ~~2026~~ 2027, no person or entity may use the phrase "assisted living," whether alone or in combination with other words and whether orally or in writing, to: advertise; market; or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity is a licensed assisted living facility that meets the requirements of this chapter. A person or entity entitled to use the phrase "assisted living" shall use the phrase only in the context of its participation that meets the requirements of this chapter.

(b) Effective January 1, ~~2026~~ 2027, the licensee's name for ~~a new~~ an assisted living facility may not include the terms "home care" or "nursing home."

Sec. 18. Minnesota Statutes 2024, section 144G.16, subdivision 3, is amended to read:

Subd. 3. **Licensure; termination or extension of provisional licenses.** (a) If the provisional licensee is in substantial compliance with the survey, the commissioner shall issue a facility license.

(b) If the provisional licensee is not in substantial compliance with the initial survey, the commissioner shall either: (1) not issue the facility license and terminate the provisional license; or (2) extend the provisional license for a period not to exceed 90 calendar days and apply conditions necessary to bring the facility into substantial compliance. If the provisional licensee is not in substantial compliance with the survey within the time period of the extension or if the provisional licensee does not satisfy the license conditions, the commissioner may deny the license.

(c) The owners and managerial officials of a provisional licensee whose license is denied are ineligible to apply for an assisted living facility license under this chapter for one year following the facility's closure date.

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

Subd. 5. **Change of ownership; existing contracts.** Following a change of ownership, the new licensee must honor the terms of an assisted living contract in effect at the time of the change of ownership until the end of the contract term.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to all assisted living contracts executed on or after January 1, 2026.

Sec. 20. Minnesota Statutes 2024, section 144G.45, is amended by adding a subdivision to read:

Subd. 8. **Exceptions.** To accommodate the needs of an aging population in Otter Tail County, a three-story building with Type IIIB construction located in Otter Tail County may apply for an assisted living license under section 144G.191. This subdivision expires December 31, 2025.

Sec. 21. Minnesota Statutes 2024, section 144G.51, is amended to read:

144G.51 ARBITRATION.

(a) An assisted living facility must clearly and conspicuously disclose, in writing in an assisted living contract, any arbitration provision in the contract that precludes, limits, or delays the ability of a resident from taking a civil action.

(b) An arbitration requirement provision must not include a choice of law or choice of venue provision. Assisted living contracts must adhere to Minnesota law and any other applicable federal or local law.

(c) An assisted living facility must not require any resident or the resident's representative to sign an agreement for binding arbitration as a condition of admission to, or as a requirement to continue to receive care at, the facility.

Sec. 22. Minnesota Statutes 2024, section 144G.52, is amended by adding a subdivision to read:

Subd. 5a. **Impermissible ground for termination.** (a) A facility must not terminate an assisted living contract on the ground that the resident changes from using private funds to using public funds to pay for housing or services if the facility has represented or advertised that the facility accepts public funds to cover the costs of housing or services or makes any similar representation regarding the ability of the resident to remain in the facility when the resident's private funds are exhausted.

(b) A resident must notify the facility of the resident's intention to apply for public assistance to pay for housing or services, or both, and must make a timely application to the appropriate government agency or agencies. The facility must inform the resident at the time the resident moves into the facility and once annually of the facility's policy regarding converting from using private funds to public funds to pay for housing or services, or both, and of the resident's obligation to notify the facility of the resident's intent to apply for public assistance and to make a timely application for public assistance.

(c) This subdivision does not prohibit a facility from terminating an assisted living contract for nonpayment according to subdivision 3, or for a violation of the assisted living contract according to subdivision 4.

(d) If a resident's application for public funds is not processed within 30 days, the resident may contact the Office of Ombudsman for Long-Term Care to facilitate timely completion of enrollment with the appropriate lead agency.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to all assisted living contracts executed on or after January 1, 2026.

Sec. 23. Minnesota Statutes 2024, section 144G.53, is amended to read:

144G.53 NONRENEWAL OF HOUSING.

Subdivision 1. **Notice or termination procedure.** (a) If a facility decides to not renew a resident's housing under a contract, the facility must either (1) provide the resident with 60 calendar days' notice of the nonrenewal and assistance with relocation planning, or (2) follow the termination procedure under section 144G.52.

(b) The notice must include the reason for the nonrenewal and contact information of the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities.

(c) A facility must:

(1) provide notice of the nonrenewal to the Office of Ombudsman for Long-Term Care; and

(2) for residents who receive home and community-based waiver services under chapter 256S and section 256B.49, provide notice to the resident's case manager~~;~~.

Subd. 2. **Prohibited ground for nonrenewal.** (a) A facility must not decline to renew a resident's housing under an assisted living contract on the ground that the resident changes from using private funds to using public funds to pay for housing if the facility has represented or advertised that the facility accepts public funds to cover the costs of housing or makes any similar representation regarding the ability of the resident to remain in the facility when the resident's private funds are exhausted.

(b) A resident must notify the facility of the resident's intention to apply for public assistance to pay for housing or services, or both, and must make a timely application to the appropriate government agency or agencies. The facility must inform the resident at the time the resident moves into the facility and once annually of the facility's policy regarding converting from using private funds to public funds to pay for housing or services, or both, and of the resident's obligation to notify the facility of the resident's intent to apply for public assistance and to make a timely application for public assistance.

(c) This subdivision does not prohibit a facility from terminating an assisted living contract for nonpayment according to section 144G.52, subdivision 3, or for a violation of the assisted living contract according to section 144G.52, subdivision 4.

(d) If a resident's application for public funds is not processed within 30 days, the resident may contact the Office of Ombudsman for Long-Term Care to facilitate timely completion of enrollment with the appropriate lead agency.

Subd. 3. **Requirements following notice.** If a facility provides notice of nonrenewal according to subdivision 1, the facility must:

~~(3)~~ (1) ensure a coordinated move to a safe location, as defined in section 144G.55, subdivision 2, that is appropriate for the resident;

~~(4)~~ (2) ensure a coordinated move to an appropriate service provider identified by the facility, if services are still needed and desired by the resident;

~~(5)~~ (3) consult and cooperate with the resident, legal representative, designated representative, case manager for a resident who receives home and community-based waiver services under chapter 256S and section 256B.49, relevant health professionals, and any other persons of the resident's choosing to make arrangements to move the resident, including consideration of the resident's goals; and

~~(6)~~ (4) prepare a written plan to prepare for the move.

Subd. 4. **Right to move to location of resident's choosing or to use provider of resident's choosing.** ~~(d)~~ A resident may decline to move to the location the facility identifies or to accept services from a service provider the facility identifies, and may instead choose to move to a location of the resident's choosing or receive services from a service provider of the resident's choosing within the timeline prescribed in the nonrenewal notice.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to all assisted living contracts executed on or after January 1, 2026.

Sec. 24. Minnesota Statutes 2024, section 144G.70, subdivision 2, is amended to read:

Subd. 2. **Initial reviews, assessments, and monitoring.** (a) Residents who are not receiving any assisted living services shall not be required to undergo an initial nursing assessment.

(b) An assisted living facility shall conduct a nursing assessment by a registered nurse of the physical and cognitive needs of the prospective resident and propose a temporary service plan prior to the date on which a prospective resident executes a contract with a facility or the date on which a prospective resident moves in, whichever is earlier. If necessitated by either the geographic distance between the prospective resident and the facility, or urgent or unexpected circumstances, the assessment may be conducted using telecommunication methods based on practice standards that meet the resident's needs and reflect person-centered planning and care delivery.

(c) Resident reassessment and monitoring must be conducted ~~no more than 14 calendar days after initiation of services. Ongoing resident reassessment and monitoring must be conducted as needed based on changes in the needs of the resident and cannot exceed 90 calendar days from the last date of the assessment.~~ by a registered nurse:

(1) no more than 14 calendar days after initiation of services;

(2) as needed based on changes in the resident's needs; and

(3) at least every 90 calendar days.

(d) Sections of the reassessment and monitoring in paragraph (c) may be completed by a licensed practical nurse as allowed under the Nurse Practice Act in sections 148.171 to 148.285. A registered nurse must review the findings as part of the resident's reassessment.

~~(d)~~ (e) For residents only receiving assisted living services specified in section 144G.08, subdivision 9, clauses (1) to (5), the facility shall complete an individualized initial review of the resident's needs and preferences. The initial review must be completed within 30 calendar days of the start of services. Resident monitoring and review must be conducted as needed based on changes in the needs of the resident and cannot exceed 90 calendar days from the date of the last review.

~~(e)~~ (f) A facility must inform the prospective resident of the availability of and contact information for long-term care consultation services under section 256B.0911, prior to the date on which a prospective resident executes a contract with a facility or the date on which a prospective resident moves in, whichever is earlier.

Sec. 25. Minnesota Statutes 2024, section 144G.71, subdivision 3, is amended to read:

Subd. 3. **Individualized medication monitoring and reassessment.** ~~The assisted living facility~~ A registered nurse, advanced practice registered nurse, or qualified staff delegated the task by a registered nurse must monitor and reassess the resident's medication management services as needed under subdivision 2 when the resident presents with symptoms or other issues that may be medication-related and, at a minimum, annually.

Sec. 26. Minnesota Statutes 2024, section 144G.71, subdivision 5, is amended to read:

Subd. 5. **Individualized medication management plan.** (a) For each resident receiving medication management services, ~~the assisted living facility~~ a registered nurse, advanced practice registered nurse, or qualified staff delegated the task by a registered nurse must prepare and include in the service plan a written statement of the medication management services that will be provided to the resident. The facility must develop and maintain a current individualized medication management record for each resident based on the resident's assessment that must contain the following:

(1) a statement describing the medication management services that will be provided;

(2) a description of storage of medications based on the resident's needs and preferences, risk of diversion, and consistent with the manufacturer's directions;

(3) documentation of specific resident instructions relating to the administration of medications;

(4) identification of persons responsible for monitoring medication supplies and ensuring that medication refills are ordered on a timely basis;

(5) identification of medication management tasks that may be delegated to unlicensed personnel;

(6) procedures for staff notifying a registered nurse or appropriate licensed health professional when a problem arises with medication management services; and

(7) any resident-specific requirements relating to documenting medication administration, verifications that all medications are administered as prescribed, and monitoring of medication use to prevent possible complications or adverse reactions.

(b) The medication management record must be current and updated when there are any changes.

(c) Medication reconciliation must be completed when a licensed nurse, licensed health professional, or authorized prescriber is providing medication management.

Sec. 27. Minnesota Statutes 2024, section 144G.81, subdivision 1, is amended to read:

Subdivision 1. **Fire protection and physical environment.** An assisted living facility with dementia care ~~that has a secured dementia care unit~~ must meet the requirements of section 144G.45 and the following additional requirements:

(1) ~~a hazard vulnerability~~ an assessment ~~or~~ of safety ~~risk~~ risks must be performed on and around the property. The ~~hazards indicated~~ safety risks identified by the facility on the assessment must be ~~assessed and~~ mitigated to protect the residents from harm. The mitigation efforts must be documented in the facility's records; and

(2) the facility shall be protected throughout by an approved supervised automatic sprinkler system by August 1, 2029.

Sec. 28. Minnesota Statutes 2024, section 144G.91, is amended by adding a subdivision to read:

Subd. 6a. **Designated support person.** (a) Subject to paragraph (c), an assisted living facility must allow, at a minimum, one designated support person chosen by the resident to be physically present with the resident at times of the resident's choosing while the resident resides at the facility.

(b) For purposes of this subdivision, "designated support person" means any person chosen by the resident to provide comfort to the resident, including but not limited to the resident's spouse, partner, family member, or another person related by affinity.

(c) A facility may restrict or prohibit the presence of a designated support person if the designated support person is acting in a violent or threatening manner toward others. A facility may restrict the presence of a resident's designated support person to the extent necessary to ensure a designated support person who is not a facility resident is not living at the facility on a short-term or long-term basis. If the facility restricts or prohibits a resident's designated support person from being present, the resident may file a complaint or inquiry with the facility according to subdivision 20, the Office of Ombudsman for Long-Term Care, or the Office of Ombudsman for Mental Health and Developmental Disabilities.

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

Sec. 29. Minnesota Statutes 2024, section 148.235, subdivision 10, is amended to read:

Subd. 10. **Administration of medications by unlicensed personnel in nursing facilities.** Notwithstanding the provisions of Minnesota Rules, part 4658.1360, subpart 2, a graduate of a foreign nursing school who has successfully completed an approved competency evaluation under the provisions of section 144A.61 is eligible to administer medications in a nursing facility upon completion of ~~a~~ any medication training program for unlicensed personnel approved by the commissioner of health under section 144A.61, subdivision 3b, or offered through a postsecondary educational institution, which meets the requirements specified in Minnesota Rules, part 4658.1360, subpart 2, item B.

Sec. 30. **REVISOR INSTRUCTION.**

The revisor of statutes must modify the section headnote for Minnesota Statutes, section 144G.81, to read "ADDITIONAL REQUIREMENTS FOR ASSISTED LIVING FACILITIES WITH DEMENTIA CARE AND ASSISTED LIVING FACILITIES WITH SECURED DEMENTIA CARE UNITS."

Sec. 31. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 144A.70, subdivision 4a, as Minnesota Statutes, section 144A.70, subdivision 4c, and correct all cross-references.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 144A.70, subdivision 7, as Minnesota Statutes, section 144A.714, and correct all cross-references.

Sec. 32. **REPEALER.**

Minnesota Statutes 2024, section 144G.9999, subdivisions 1, 2, and 3, are repealed.

ARTICLE 3
DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services, licensees, and applicants that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute, and relating to the enforcement of rules or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to statute or valid court order;

(3) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense;

(4) to an agent of the welfare system or an investigator acting on behalf of a county, state, or federal government, including a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding, unless the commissioner of human services ~~or~~; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board determines that disclosure may compromise a Department of Human Services ~~or~~; Department of Children, Youth, and Families; or Direct Care and Treatment ongoing investigation; or

(5) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services of possible overpayments of public funds to a service provider or recipient may be disclosed if the commissioner determines that it will not compromise the investigation.

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

Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license holders, certification holders, and former licensees are public: name, address, telephone number of licensees, email addresses except for family child foster care, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services; the commissioner of children, youth, and families; the local social services agency; or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) Except as provided in item (v), when a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the general nature of the complaint or allegations leading to the temporary immediate suspension; the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence of settlement negotiations; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section 142A.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity of the applicant, license holder, or controlling individual as the individual responsible for maltreatment is public data at the time of the issuance of the license denial or sanction.

(iv) When a license denial under section 142A.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is disqualified under chapter 245C, the identity of the license holder, applicant, or controlling individual as the disqualified individual is public data at the time of the issuance of the licensing sanction or denial. If the applicant, license holder, or controlling individual requests reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are private data.

(v) A correction order or fine issued to a child care provider for a licensing violation is private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

(2) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(3) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the existence of settlement negotiations, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(4) When maltreatment is substantiated under section 626.557 or chapter 260E and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 142B or 245A; the commissioner of human services; commissioner of children, youth, and families; local social services agency; or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(5) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 142B, 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment under section 626.557 and chapter 260E, are confidential data and may be disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 260E.03, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35, subdivision 6, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.557 or chapter 260E may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 142B, 245A, and 245C, data on individuals collected by the commissioner of human services according to investigations under section 626.557 and chapters 142B, 245A, 245B, 245C, 245D, and 260E may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services ~~or~~; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under sections 260E.24, subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the commissioner of children, youth, and families or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 260E.03, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

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

Sec. 3. Minnesota Statutes 2024, section 15.471, subdivision 6, is amended to read:

Subd. 6. **Party.** (a) Except as modified by paragraph (b), "party" means a person named or admitted as a party, or seeking and entitled to be admitted as a party, in a court action or contested case proceeding, or a person admitted by an administrative law judge for limited purposes, and who is:

(1) an unincorporated business, partnership, corporation, association, or organization, having not more than 500 employees at the time the civil action was filed or the contested case proceeding was initiated; and

(2) an unincorporated business, partnership, corporation, association, or organization whose annual revenues did not exceed $7,000,000 at the time the civil action was filed or the contested case proceeding was initiated.

(b) "Party" also includes a partner, officer, shareholder, member, or owner of an entity described in paragraph (a), clauses (1) and (2).

(c) "Party" does not include a person providing services pursuant to licensure or reimbursement on a cost basis by the Department of Health ~~or~~, the Department of Human Services, or Direct Care and Treatment when that person is named or admitted or seeking to be admitted as a party in a matter which involves the licensing or reimbursement rates, procedures, or methodology applicable to those services.

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

Sec. 4. Minnesota Statutes 2024, section 43A.241, is amended to read:

43A.241 INSURANCE CONTRIBUTIONS; FORMER EMPLOYEES.

(a) This section applies to a person who:

(1) was employed by the commissioner of corrections, the commissioner of human services, or the Direct Care and Treatment executive board;

(2) was covered by the correctional employee retirement plan under section 352.91 or the general state employees retirement plan of the Minnesota State Retirement System as defined in section 352.021;

(3) while employed under clause (1), was assaulted by:

(i) a person under correctional supervision for a criminal offense; or

(ii) a client or patient at the Minnesota Sex Offender Program, or at a state-operated forensic services program as defined in section 352.91, subdivision 3j; and

(4) as a direct result of the assault under clause (3), was determined to be totally and permanently physically disabled under laws governing the Minnesota State Retirement System.

(b) For a person to whom this section applies, the commissioner of corrections, the commissioner of human services, or the Direct Care and Treatment executive board, using existing budget resources, must continue to make the employer contribution for medical and dental benefits under the State Employee Group Insurance Program after the person terminates state service. If the person had dependent coverage at the time of terminating state service, employer contributions for dependent coverage also must continue under this section. The employer contributions must be in the amount of the employer contribution for active state employees at the time each payment is made. The employer contributions must continue until the person reaches age 65, provided the person makes the required employee contributions, in the amount required of an active state employee, at the time and in the manner specified by the commissioner ~~or executive board~~.

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

Sec. 5. Minnesota Statutes 2024, section 62J.495, subdivision 2, is amended to read:

Subd. 2. **E-Health Advisory Committee.** (a) The commissioner shall establish an e-Health Advisory Committee governed by section 15.059 to advise the commissioner on the following matters:

(1) assessment of the adoption and effective use of health information technology by the state, licensed health care providers and facilities, and local public health agencies;

(2) recommendations for implementing a statewide interoperable health information infrastructure, to include estimates of necessary resources, and for determining standards for clinical data exchange, clinical support programs, patient privacy requirements, and maintenance of the security and confidentiality of individual patient data;

(3) recommendations for encouraging use of innovative health care applications using information technology and systems to improve patient care and reduce the cost of care, including applications relating to disease management and personal health management that enable remote monitoring of patients' conditions, especially those with chronic conditions; and

(4) other related issues as requested by the commissioner.

(b) The members of the e-Health Advisory Committee shall include the commissioners, or commissioners' designees, of health, human services, administration, and commerce; a representative of the Direct Care and Treatment executive board; and additional members to be appointed by the commissioner to include persons representing Minnesota's local public health agencies, licensed hospitals and other licensed facilities and providers, private purchasers, the medical and nursing professions, health insurers and health plans, the state quality improvement organization, academic and research institutions, consumer advisory organizations with an interest and expertise in health information technology, and other stakeholders as identified by the commissioner to fulfill the requirements of section 3013, paragraph (g), of the HITECH Act.

(c) This subdivision expires June 30, 2031.

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

Sec. 6. Minnesota Statutes 2024, section 97A.441, subdivision 3, is amended to read:

Subd. 3. **Angling; residents of state institutions.** The commissioner may issue a license, without a fee, to take fish by angling to a person that is a ward of the commissioner of human services and a resident of a state institution under the control of the Direct Care and Treatment executive board upon application by the commissioner of human services.

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

Sec. 7. Minnesota Statutes 2024, section 144.53, is amended to read:

144.53 FEES.

Each application for a license, or renewal thereof, to operate a hospital, sanitarium or other institution for the hospitalization or care of human beings, within the meaning of sections 144.50 to 144.56, except applications by the Minnesota Veterans Home, the ~~commissioner of human services~~ Direct Care and Treatment executive board for the licensing of state institutions, or ~~by~~ the administrator for the licensing of the University of Minnesota hospitals, shall be accompanied by a fee to be prescribed by the state commissioner of health pursuant to section 144.122. No fee shall be refunded. Licenses shall expire and shall be renewed as prescribed by the commissioner of health pursuant to section 144.122.

No license granted hereunder shall be assignable or transferable.

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

Sec. 8. Minnesota Statutes 2024, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615. "Patient" also means a minor who is admitted to a residential program as defined in ~~section 253C.01~~ paragraph (c). For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program.

(b) "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, a boarding care home under sections 144.50 to 144.56, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under chapter 245G or 245I, or Minnesota Rules, parts 9530.6510 to 9530.6590.

(c) "Residential program" means (1) a hospital-based primary treatment program that provides residential treatment to minors with emotional disturbance as defined by the Comprehensive Children's Mental Health Act in sections 245.487 to 245.4889, or (2) a facility licensed by the state under Minnesota Rules, parts 2960.0580 to 2960.0700, to provide services to minors on a 24-hour basis.

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

Sec. 9. Minnesota Statutes 2024, section 144.651, subdivision 4, is amended to read:

Subd. 4. **Information about rights.** Patients and residents shall, at admission, be told that there are legal rights for their protection during their stay at the facility or throughout their course of treatment and maintenance in the community and that these are described in an accompanying written statement of the applicable rights and responsibilities set forth in this section. In the case of patients admitted to residential programs ~~as defined in section 253C.01~~, the written statement shall also describe the right of a person 16 years old or older to request release as provided in section 253B.04, subdivision 2, and shall list the names and telephone numbers of individuals and organizations that provide advocacy and legal services for patients in residential programs. Reasonable

accommodations shall be made for people who have communication disabilities and those who speak a language other than English. Current facility policies, inspection findings of state and local health authorities, and further explanation of the written statement of rights shall be available to patients, residents, their guardians or their chosen representatives upon reasonable request to the administrator or other designated staff person, consistent with chapter 13, the Data Practices Act, and section 626.557, relating to vulnerable adults.

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

Sec. 10. Minnesota Statutes 2024, section 144.651, subdivision 20, is amended to read:

Subd. 20. **Grievances.** Patients and residents shall be encouraged and assisted, throughout their stay in a facility or their course of treatment, to understand and exercise their rights as patients, residents, and citizens. Patients and residents may voice grievances and recommend changes in policies and services to facility staff and others of their choice, free from restraint, interference, coercion, discrimination, or reprisal, including threat of discharge. Notice of the grievance procedure of the facility or program, as well as addresses and telephone numbers for the Office of Health Facility Complaints and the area nursing home ombudsman pursuant to the Older Americans Act, section 307(a)(12) shall be posted in a conspicuous place.

Every acute care inpatient facility, every residential program ~~as defined in section 253C.01~~, every nonacute care facility, and every facility employing more than two people that provides outpatient mental health services shall have a written internal grievance procedure that, at a minimum, sets forth the process to be followed; specifies time limits, including time limits for facility response; provides for the patient or resident to have the assistance of an advocate; requires a written response to written grievances; and provides for a timely decision by an impartial decision maker if the grievance is not otherwise resolved. Compliance by hospitals, residential programs ~~as defined in section 253C.01~~ which are hospital-based primary treatment programs, and outpatient surgery centers with section 144.691 and compliance by health maintenance organizations with section 62D.11 is deemed to be compliance with the requirement for a written internal grievance procedure.

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

Sec. 11. Minnesota Statutes 2024, section 144.651, subdivision 31, is amended to read:

Subd. 31. **Isolation and restraints.** A minor patient who has been admitted to a residential program ~~as defined in section 253C.01~~ has the right to be free from physical restraint and isolation except in emergency situations involving a likelihood that the patient will physically harm the patient's self or others. These procedures may not be used for disciplinary purposes, to enforce program rules, or for the convenience of staff. Isolation or restraint may be used only upon the prior authorization of a physician, advanced practice registered nurse, physician assistant, psychiatrist, or licensed psychologist, only when less restrictive measures are ineffective or not feasible and only for the shortest time necessary.

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

Sec. 12. Minnesota Statutes 2024, section 144.651, subdivision 32, is amended to read:

Subd. 32. **Treatment plan.** A minor patient who has been admitted to a residential program ~~as defined in section 253C.01~~ has the right to a written treatment plan that describes in behavioral terms the case problems, the precise goals of the plan, and the procedures that will be utilized to minimize the length of time that the minor requires inpatient treatment. The plan shall also state goals for release to a less restrictive facility and follow-up treatment measures and services, if appropriate. To the degree possible, the minor patient and the minor patient's parents or guardian shall be involved in the development of the treatment and discharge plan.

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

Sec. 13. Minnesota Statutes 2024, section 144A.07, is amended to read:

144A.07 FEES.

Each application for a license to operate a nursing home, or for a renewal of license, except an application by the Minnesota Veterans Home or the ~~commissioner of human services~~ Direct Care and Treatment executive board for the licensing of state institutions, shall be accompanied by a fee to be prescribed by the commissioner of health pursuant to section 144.122. No fee shall be refunded.

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

Sec. 14. Minnesota Statutes 2024, section 146A.08, subdivision 4, is amended to read:

Subd. 4. **Examination; access to medical data.** (a) If the commissioner has probable cause to believe that an unlicensed complementary and alternative health care practitioner has engaged in conduct prohibited by subdivision 1, paragraph (h), (i), (j), or (k), the commissioner may issue an order directing the practitioner to submit to a mental or physical examination or substance use disorder evaluation. For the purpose of this subdivision, every unlicensed complementary and alternative health care practitioner is deemed to have consented to submit to a mental or physical examination or substance use disorder evaluation when ordered to do so in writing by the commissioner and further to have waived all objections to the admissibility of the testimony or examination reports of the health care provider performing the examination or evaluation on the grounds that the same constitute a privileged communication. Failure of an unlicensed complementary and alternative health care practitioner to submit to an examination or evaluation when ordered, unless the failure was due to circumstances beyond the practitioner's control, constitutes an admission that the unlicensed complementary and alternative health care practitioner violated subdivision 1, paragraph (h), (i), (j), or (k), based on the factual specifications in the examination or evaluation order and may result in a default and final disciplinary order being entered after a contested case hearing. An unlicensed complementary and alternative health care practitioner affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the practitioner can resume the provision of complementary and alternative health care practices with reasonable safety to clients. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the commissioner shall be used against an unlicensed complementary and alternative health care practitioner in any other proceeding.

(b) In addition to ordering a physical or mental examination or substance use disorder evaluation, the commissioner may, notwithstanding section 13.384; 144.651; 595.02; or any other law limiting access to medical or other health data, obtain medical data and health records relating to an unlicensed complementary and alternative health care practitioner without the practitioner's consent if the commissioner has probable cause to believe that a practitioner has engaged in conduct prohibited by subdivision 1, paragraph (h), (i), (j), or (k). The medical data may be requested from a provider as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the commissioner under this subdivision and is not liable in any action for damages for releasing the data requested by the commissioner if the data are released pursuant to a written request under this subdivision, unless the information is false and the person or organization giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is private data under section 13.41.

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

Sec. 15. Minnesota Statutes 2024, section 147.091, subdivision 6, is amended to read:

Subd. 6. **Mental examination; access to medical data.** (a) If the board has probable cause to believe that a regulated person comes under subdivision 1, paragraph (1), it may direct the person to submit to a mental or physical examination. For the purpose of this subdivision every regulated person is deemed to have consented to submit to a

mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a regulated person to submit to an examination when directed constitutes an admission of the allegations against the person, unless the failure was due to circumstance beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A regulated person affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the person can resume the competent practice of the regulated profession with reasonable skill and safety to the public.

In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a regulated person in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a regulated person or applicant without the person's or applicant's consent if the board has probable cause to believe that a regulated person comes under subdivision 1, paragraph (1). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

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

Sec. 16. Minnesota Statutes 2024, section 147A.13, subdivision 6, is amended to read:

Subd. 6. **Mental examination; access to medical data.** (a) If the board has probable cause to believe that a physician assistant comes under subdivision 1, clause (1), it may direct the physician assistant to submit to a mental or physical examination. For the purpose of this subdivision, every physician assistant licensed under this chapter is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a physician assistant to submit to an examination when directed constitutes an admission of the allegations against the physician assistant, unless the failure was due to circumstance beyond the physician assistant's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A physician assistant affected under this subdivision shall at reasonable intervals be given an opportunity to demonstrate that the physician assistant can resume competent practice with reasonable skill and safety to patients. In any proceeding under this subdivision, neither the record of proceedings nor the orders entered by the board shall be used against a physician assistant in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding sections 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a physician assistant comes under subdivision 1, clause (1).

The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board

if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under chapter 13.

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

Sec. 17. Minnesota Statutes 2024, section 148.10, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) The state Board of Chiropractic Examiners may refuse to grant, or may revoke, suspend, condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the court administrator of the district court for:

(1) advertising that is false or misleading; that violates a rule of the board; or that claims the cure of any condition or disease;

(2) the employment of fraud or deception in applying for a license or in passing the examination provided for in section 148.06 or conduct which subverts or attempts to subvert the licensing examination process;

(3) the practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name;

(4) the conviction of a crime involving moral turpitude;

(5) the conviction, during the previous five years, of a felony reasonably related to the practice of chiropractic;

(6) habitual intemperance in the use of alcohol or drugs;

(7) practicing under a license which has not been renewed;

(8) advanced physical or mental disability;

(9) the revocation or suspension of a license to practice chiropractic; or other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country; or failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction;

(10) the violation of, or failure to comply with, the provisions of sections 148.01 to 148.105, the rules of the state Board of Chiropractic Examiners, or a lawful order of the board;

(11) unprofessional conduct;

(12) being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material, or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the

taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that the person can resume the competent practice of chiropractic with reasonable skill and safety to patients.

In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to health data, obtain health data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a doctor of chiropractic comes under this clause. The health data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider or entity giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding;

(13) aiding or abetting an unlicensed person in the practice of chiropractic, except that it is not a violation of this clause for a doctor of chiropractic to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of the license or registration or delegated authority;

(14) improper management of health records, including failure to maintain adequate health records as described in clause (18), to comply with a patient's request made under sections 144.291 to 144.298 or to furnish a health record or report required by law;

(15) failure to make reports required by section 148.102, subdivisions 2 and 5, or to cooperate with an investigation of the board as required by section 148.104, or the submission of a knowingly false report against another doctor of chiropractic under section 148.10, subdivision 3;

(16) splitting fees, or promising to pay a portion of a fee or a commission, or accepting a rebate;

(17) revealing a privileged communication from or relating to a patient, except when otherwise required or permitted by law;

(18) failing to keep written chiropractic records justifying the course of treatment of the patient, including, but not limited to, patient histories, examination results, test results, and x-rays. Unless otherwise required by law, written records need not be retained for more than seven years and x-rays need not be retained for more than four years;

(19) exercising influence on the patient or client in such a manner as to exploit the patient or client for financial gain of the licensee or of a third party which shall include, but not be limited to, the promotion or sale of services, goods, or appliances;

(20) gross or repeated malpractice or the failure to practice chiropractic at a level of care, skill, and treatment which is recognized by a reasonably prudent chiropractor as being acceptable under similar conditions and circumstances; or

(21) delegating professional responsibilities to a person when the licensee delegating such responsibilities knows or has reason to know that the person is not qualified by training, experience, or licensure to perform them.

(b) For the purposes of paragraph (a), clause (2), conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) For the purposes of paragraph (a), clauses (4) and (5), conviction as used in these subdivisions includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

(d) For the purposes of paragraph (a), clauses (4), (5), and (6), a copy of the judgment or proceeding under seal of the administrator of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

(e) For the purposes of paragraph (a), clause (11), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

(1) gross ignorance of, or incompetence in, the practice of chiropractic;

(2) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

(3) performing unnecessary services;

(4) charging a patient an unconscionable fee or charging for services not rendered;

(5) directly or indirectly engaging in threatening, dishonest, or misleading fee collection techniques;

(6) perpetrating fraud upon patients, third-party payors, or others, relating to the practice of chiropractic, including violations of the Medicare or Medicaid laws or state medical assistance laws;

(7) advertising that the licensee will accept for services rendered assigned payments from any third-party payer as payment in full, if the effect is to give the impression of eliminating the need of payment by the patient of any required deductible or co-payment applicable in the patient's health benefit plan. As used in this clause, "advertise" means solicitation by the licensee by means of handbills, posters, circulars, motion pictures, radio, newspapers, television, or in any other manner. In addition to the board's power to punish for violations of this clause, violation of this clause is also a misdemeanor;

(8) accepting for services rendered assigned payments from any third-party payer as payment in full, if the effect is to eliminate the need of payment by the patient of any required deductible or co-payment applicable in the patient's health benefit plan, except as hereinafter provided; and

(9) any other act that the board by rule may define.

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

Sec. 18. Minnesota Statutes 2024, section 148.261, subdivision 5, is amended to read:

Subd. 5. **Examination; access to medical data.** The board may take the following actions if it has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (9) or (10):

(a) It may direct the applicant or nurse to submit to a mental or physical examination or substance use disorder evaluation. For the purpose of this subdivision, when a nurse licensed under sections 148.171 to 148.285 is directed in writing by the board to submit to a mental or physical examination or substance use disorder evaluation, that person is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or nurse to submit to an examination when directed constitutes an admission of the allegations against the applicant or nurse, unless the failure was due to circumstances beyond the person's control, and the board may enter a default and final order without taking testimony or allowing evidence to be presented. A nurse affected under this paragraph shall, at reasonable intervals, be given an opportunity to demonstrate that the competent practice of professional, advanced practice registered, or practical nursing can be resumed with reasonable skill and safety to patients. Neither the record of proceedings nor the orders entered by the board in a proceeding under this paragraph, may be used against a nurse in any other proceeding.

(b) It may, notwithstanding sections 13.384, 144.651, 595.02, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a registered nurse, advanced practice registered nurse, licensed practical nurse, or applicant for a license without that person's consent. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private data on individuals as defined in section 13.02.

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

Sec. 19. Minnesota Statutes 2024, section 148.754, is amended to read:

148.754 EXAMINATION; ACCESS TO MEDICAL DATA.

(a) If the board has probable cause to believe that a licensee comes under section 148.75, paragraph (a), clause (2), it may direct the licensee to submit to a mental or physical examination. For the purpose of this paragraph, every licensee is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that they constitute a privileged communication. Failure of the licensee to submit to an examination when directed constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A licensee affected under this paragraph shall, at reasonable intervals, be given an opportunity to demonstrate that the person can resume the competent practice of physical therapy with reasonable skill and safety to the public.

(b) In any proceeding under paragraph (a), neither the record of proceedings nor the orders entered by the board shall be used against a licensee in any other proceeding.

(c) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the person's or applicant's consent if the board has probable cause to believe that the person comes under paragraph (a). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this paragraph and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this paragraph, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this paragraph is classified as private under sections 13.01 to 13.87.

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

Sec. 20. Minnesota Statutes 2024, section 148B.5905, is amended to read:

148B.5905 MENTAL, PHYSICAL, OR SUBSTANCE USE DISORDER EXAMINATION OR EVALUATION; ACCESS TO MEDICAL DATA.

(a) If the board has probable cause to believe section 148B.59, paragraph (a), clause (9), applies to a licensee or applicant, the board may direct the person to submit to a mental, physical, or substance use disorder examination or evaluation. For the purpose of this section, every licensee and applicant is deemed to have consented to submit to a mental, physical, or substance use disorder examination or evaluation when directed in writing by the board and to have waived all objections to the admissibility of the examining professionals' testimony or examination reports on the grounds that the testimony or examination reports constitute a privileged communication. Failure of a licensee or applicant to submit to an examination when directed by the board constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A licensee or applicant affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the person can resume the competent practice of licensed professional counseling with reasonable skill and safety to the public. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a licensee or applicant in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that section 148B.59, paragraph (a), clause (9), applies to the licensee or applicant. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i); an insurance company; or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

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

Sec. 21. Minnesota Statutes 2024, section 148F.09, subdivision 6, is amended to read:

Subd. 6. **Mental, physical, or chemical health evaluation.** (a) If the board has probable cause to believe that an applicant or licensee is unable to practice alcohol and drug counseling with reasonable skill and safety due to a mental or physical illness or condition, the board may direct the individual to submit to a mental, physical, or chemical dependency examination or evaluation.

(1) For the purposes of this section, every licensee and applicant is deemed to have consented to submit to a mental, physical, or chemical dependency examination or evaluation when directed in writing by the board and to have waived all objections to the admissibility of the examining professionals' testimony or examination reports on the grounds that the testimony or examination reports constitute a privileged communication.

(2) Failure of a licensee or applicant to submit to an examination when directed by the board constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence.

(3) A licensee or applicant affected under this subdivision shall at reasonable intervals be given an opportunity to demonstrate that the licensee or applicant can resume the competent practice of licensed alcohol and drug counseling with reasonable skill and safety to the public.

(4) In any proceeding under this subdivision, neither the record of proceedings nor the orders entered by the board shall be used against the licensee or applicant in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384 or sections 144.291 to 144.298, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that subdivision 1, clause (9), applies to the licensee or applicant. The medical data may be requested from:

(1) a provider, as defined in section 144.291, subdivision 2, paragraph (i);

(2) an insurance company; or

(3) a government agency, including the Department of Human Services and Direct Care and Treatment.

(c) A provider, insurance company, or government agency must comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false.

(d) Information obtained under this subdivision is private data on individuals as defined in section 13.02, subdivision 12.

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

Sec. 22. Minnesota Statutes 2024, section 150A.08, subdivision 6, is amended to read:

Subd. 6. **Medical records.** Notwithstanding contrary provisions of sections 13.384 and 144.651 or any other statute limiting access to medical or other health data, the board may obtain medical data and health records of a licensee or applicant without the licensee's or applicant's consent if the information is requested by the board as part of the process specified in subdivision 5. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (h), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and shall not be liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision shall be classified as private under the Minnesota Government Data Practices Act.

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

Sec. 23. Minnesota Statutes 2024, section 151.071, subdivision 10, is amended to read:

Subd. 10. **Mental examination; access to medical data.** (a) If the board receives a complaint and has probable cause to believe that an individual licensed or registered by the board falls under subdivision 2, clause (14), it may direct the individual to submit to a mental or physical examination. For the purpose of this subdivision, every licensed or registered individual is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining practitioner's testimony or examination reports on the grounds that the same constitute a privileged communication. Failure of a licensed or registered individual to submit to an examination when directed constitutes an admission of the allegations against the individual, unless the failure was due to circumstances beyond the individual's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. Pharmacists affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that they can resume the competent practice of the profession of pharmacy with reasonable skill and safety to the public. Pharmacist interns, pharmacy technicians, or controlled substance researchers affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that they can competently resume the duties that can be performed, under this chapter or the rules of the board, by similarly registered persons with reasonable skill and safety to the public. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a licensed or registered individual in any other proceeding.

(b) Notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, the board may obtain medical data and health records relating to an individual licensed or registered by the board, or to an applicant for licensure or registration, without the individual's consent when the board receives a complaint and has probable cause to believe that the individual is practicing in violation of subdivision 2, clause (14), and the data and health records are limited to the complaint. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

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

Sec. 24. Minnesota Statutes 2024, section 153.21, subdivision 2, is amended to read:

Subd. 2. **Access to medical data.** In addition to ordering a physical or mental examination or substance use disorder evaluation, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a doctor of podiatric medicine falls within the provisions of section 153.19, subdivision 1, clause (12). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (h), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this section and is not liable in any action for damages for releasing the data requested by the board if the data are released in accordance with a written request under this section, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false.

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

Sec. 25. Minnesota Statutes 2024, section 153B.70, is amended to read:

153B.70 GROUNDS FOR DISCIPLINARY ACTION.

(a) The board may refuse to issue or renew a license, revoke or suspend a license, or place on probation or reprimand a licensee for one or any combination of the following:

(1) making a material misstatement in furnishing information to the board;

(2) violating or intentionally disregarding the requirements of this chapter;

(3) conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no-contest plea, in this state or elsewhere, reasonably related to the practice of the profession. Conviction, as used in this clause, includes a conviction of an offense which, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered;

(4) making a misrepresentation in order to obtain or renew a license;

(5) displaying a pattern of practice or other behavior that demonstrates incapacity or incompetence to practice;

(6) aiding or assisting another person in violating the provisions of this chapter;

(7) failing to provide information within 60 days in response to a written request from the board, including documentation of completion of continuing education requirements;

(8) engaging in dishonorable, unethical, or unprofessional conduct;

(9) engaging in conduct of a character likely to deceive, defraud, or harm the public;

(10) inability to practice due to habitual intoxication, addiction to drugs, or mental or physical illness;

(11) being disciplined by another state or territory of the United States, the federal government, a national certification organization, or foreign nation, if at least one of the grounds for the discipline is the same or substantially equivalent to one of the grounds in this section;

(12) directly or indirectly giving to or receiving from a person, firm, corporation, partnership, or association a fee, commission, rebate, or other form of compensation for professional services not actually or personally rendered;

(13) incurring a finding by the board that the licensee, after the licensee has been placed on probationary status, has violated the conditions of the probation;

(14) abandoning a patient or client;

(15) willfully making or filing false records or reports in the course of the licensee's practice including, but not limited to, false records or reports filed with state or federal agencies;

(16) willfully failing to report child maltreatment as required under the Maltreatment of Minors Act, chapter 260E; or

(17) soliciting professional services using false or misleading advertising.

(b) A license to practice is automatically suspended if (1) a guardian of a licensee is appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons other than the minority of the licensee, or (2) the licensee is committed by order of a court pursuant to chapter 253B. The license remains suspended until the licensee is restored to capacity by a court and, upon petition by the licensee, the suspension is terminated by the board after a hearing. The licensee may be reinstated to practice, either with or without restrictions, by demonstrating clear and convincing evidence of rehabilitation. The regulated person is not required to prove rehabilitation if the subsequent court decision overturns previous court findings of public risk.

(c) If the board has probable cause to believe that a licensee or applicant has violated paragraph (a), clause (10), it may direct the person to submit to a mental or physical examination. For the purpose of this section, every person is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and to have waived all objections to the admissibility of the examining physician's testimony or examination report on the grounds that the testimony or report constitutes a privileged communication. Failure of a regulated person to submit to an examination when directed constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A regulated person affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the person can resume the competent practice of the regulated profession with reasonable skill and safety to the public. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a regulated person in any other proceeding.

(d) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384 or 144.293, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the person's or applicant's consent if the board has probable cause to believe that a licensee is subject to paragraph (a), clause (10). The medical data may be requested from a provider as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this section and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this section, unless the information is false and the provider giving the information knew, or had reason to know, the information was false. Information obtained under this section is private data on individuals as defined in section 13.02.

(e) If the board issues an order of immediate suspension of a license, a hearing must be held within 30 days of the suspension and completed without delay.

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

Sec. 26. Minnesota Statutes 2024, section 168.012, subdivision 1, is amended to read:

Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;

(5) vehicles owned by nonprofit charities and used exclusively for disaster response and related activities;

(6) vehicles owned by ambulance services licensed under section 144E.10 that are equipped and specifically intended for emergency response or providing ambulance services; and

(7) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Provided the general appearance of the vehicle is unmistakable, the following vehicles are not required to register or display number plates:

(1) vehicles owned by the federal government;

(2) fire apparatuses, including fire-suppression support vehicles, owned or leased by the state or a political subdivision;

(3) police patrols owned or leased by the state or a political subdivision; and

(4) ambulances owned or leased by the state or a political subdivision.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections or by conservation officers of the Division of Enforcement and Field Service of the Department of Natural Resources, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections or by conservation officers must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the Division of Disease Prevention and Control of the Department of Health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must

be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by ~~the Department of Human Services' Office of Special Investigations' staff; the Minnesota Sex Offender Program's executive director and the executive director's staff; and~~ the Office of Inspector General's staff, including, but not limited to, county fraud prevention investigators, must be registered and must display passenger vehicle classification license number plates, furnished by the registrar at cost. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the commissioner of human services. The certification must be on a form prescribed by the commissioner and state that the vehicles must be used exclusively for the official duties of the Office of Special Investigations' staff~~; the Minnesota Sex Offender Program's executive director and the executive director's staff;~~ and the Office of the Inspector General's staff, including, but not limited to, contract and county fraud prevention investigators.

(h) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by the Direct Care and Treatment Office of Special Investigations' staff and unmarked vehicles used by the Minnesota Sex Offender Program's executive director and the executive director's staff must be registered and must display passenger vehicle classification license number plates, furnished by the registrar at cost. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the Direct Care and Treatment executive board. The certification must be on a form prescribed by the commissioner and state that the vehicles must be used exclusively for the official duties of the Minnesota Sex Offender Program's executive director and the executive director's staff, including but not limited to contract and county fraud prevention investigators.

~~(h)~~ (i) Each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle. The vehicle must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the hospital administrator. The certification must be on a form prescribed by the ~~commissioner~~ Direct Care and Treatment executive board and state that the vehicles will be used exclusively for the official duties of the state hospital or institution.

~~(i)~~ (j) Each county social service agency may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. The vehicles must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the agency administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the social service agency.

~~(j)~~ (k) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by tobacco inspector staff of the Department of Human Services' Alcohol and Drug Abuse Division for the purposes of tobacco inspections, investigations, and reviews must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the commissioner of human services. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively by tobacco inspector staff for the duties specified in this paragraph.

~~(k)~~ (l) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver

education program, licensed commercial driving school, or other qualifying organization or entity, plainly displayed on both sides of the vehicle. This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

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

Sec. 27. Minnesota Statutes 2024, section 244.052, subdivision 4, is amended to read:

Subd. 4. **Law enforcement agency; disclosure of information to public.** (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure and to adult members of the offender's immediate household;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the Department of Corrections ~~or~~, the Department of Human Services, or Direct Care and Treatment. The agency may disclose the information to property assessors, property inspectors, code enforcement officials, and child protection officials who are likely to visit the offender's home in the course of their duties;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections ~~or~~, the commissioner of human services, or the Direct Care and Treatment executive board of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's

likely residence. The head of the residential facility also shall notify the commissioner of corrections ~~or~~, the commissioner of human services, or the Direct Care and Treatment executive board within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the Department of Corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166. This requirement on a law enforcement agency to continue to disclose information also applies to an offender who lacks a primary address and is registering under section 243.166, subdivision 3a.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b.

(h) A city council may adopt a policy that addresses when information disclosed under this subdivision must be presented in languages in addition to English. The policy may address when information must be presented orally, in writing, or both in additional languages by the law enforcement agency disclosing the information. The policy may provide for different approaches based on the prevalence of non-English languages in different neighborhoods.

(i) An offender who is the subject of a community notification meeting held pursuant to this section may not attend the meeting.

(j) When a school, day care facility, or other entity or program that primarily educates or serves children receives notice under paragraph (b), clause (3), that a level III predatory offender resides or works in the surrounding community, notice to parents must be made as provided in this paragraph. If the predatory offender identified in the notice is participating in programs offered by the facility that require or allow the person to interact with children other than the person's children, the principal or head of the entity must notify parents with children at the facility of the contents of the notice received pursuant to this section. The immunity provisions of subdivision 7 apply to persons disclosing information under this paragraph.

(k) When an offender for whom notification was made under this subdivision no longer resides, is employed, or is regularly found in the area, and the law enforcement agency that made the notification is aware of this, the agency shall inform the entities and individuals initially notified of the change in the offender's status. If notification was made under paragraph (b), clause (3), the agency shall provide the updated information required under this paragraph in a manner designed to ensure a similar scope of dissemination. However, the agency is not required to hold a public meeting to do so.

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

Sec. 28. Minnesota Statutes 2024, section 245.50, subdivision 2, is amended to read:

Subd. 2. **Purpose and authority.** (a) The purpose of this section is to enable appropriate treatment or detoxification services to be provided to individuals, across state lines from the individual's state of residence, in qualified facilities that are closer to the homes of individuals than are facilities available in the individual's home state.

(b) Unless prohibited by another law and subject to the exceptions listed in subdivision 3, a county board ~~or~~, the commissioner of human services, or the Direct Care and Treatment executive board may contract with an agency or facility in a bordering state for mental health, chemical health, or detoxification services for residents of Minnesota, and a Minnesota mental health, chemical health, or detoxification agency or facility may contract to provide services to residents of bordering states. Except as provided in subdivision 5, a person who receives services in another state under this section is subject to the laws of the state in which services are provided. A person who will receive services in another state under this section must be informed of the consequences of receiving services in another state, including the implications of the differences in state laws, to the extent the individual will be subject to the laws of the receiving state.

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

Sec. 29. Minnesota Statutes 2024, section 245.52, is amended to read:

245.52 ~~COMMISSIONER OF HUMAN SERVICES~~ CHIEF EXECUTIVE OFFICER OF DIRECT CARE AND TREATMENT AS COMPACT ADMINISTRATOR.

The ~~commissioner of human services~~ chief executive officer of Direct Care and Treatment is hereby designated as "compact administrator." The ~~commissioner~~ chief executive officer shall have the powers and duties specified in the compact, and may, in the name of the state of Minnesota, subject to the approval of the attorney general as to form and legality, enter into such agreements authorized by the compact as the ~~commissioner~~ chief executive officer deems appropriate to effecting the purpose of the compact. The ~~commissioner~~ chief executive officer shall, within the limits of the appropriations for the care of persons with mental illness or developmental disabilities, authorize such payments as are necessary to discharge any financial obligations imposed upon this state by the compact or any agreement entered into under the compact.

If the patient has no established residence in a Minnesota county, the commissioner of human services shall designate the county of financial responsibility for the purposes of carrying out the provisions of the Interstate Compact on Mental Health as it pertains to patients being transferred to Minnesota. The commissioner of human services shall designate the county which is the residence of the person in Minnesota who initiates the earliest written request for the patient's transfer.

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

Sec. 30. Minnesota Statutes 2024, section 245.91, subdivision 2, is amended to read:

Subd. 2. **Agency.** "Agency" means the divisions, officials, or employees of the state Departments of Human Services, ~~Direct Care and Treatment,~~ Health, and Education~~,~~; of Direct Care and Treatment; and of local school districts and designated county social service agencies as defined in section 256G.02, subdivision 7, that are engaged in monitoring, providing, or regulating services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance.

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

Sec. 31. Minnesota Statutes 2024, section 246.585, is amended to read:

246.585 CRISIS SERVICES.

Within the limits of appropriations, state-operated regional technical assistance must be available in each region to assist counties, Tribal Nations, residential and ~~day programming staff~~ vocational service providers, ~~and~~ families, and persons with disabilities to prevent or resolve crises that could lead to a ~~change in placement~~ person moving to a less integrated setting. ~~Crisis capacity must be provided on all regional treatment center campuses serving persons with developmental disabilities.~~ In addition, crisis capacity may be developed to serve 16 persons in the Twin Cities metropolitan area. ~~Technical assistance and consultation must also be available in each region to providers and counties.~~ Staff must be available to provide:

(1) individual assessments;

(2) program plan development and implementation assistance;

(3) analysis of service delivery problems; and

(4) assistance with transition planning, including technical assistance to counties, Tribal Nations, and service providers to develop new services, site the new services, and assist with community acceptance.

Sec. 32. Minnesota Statutes 2024, section 246C.06, subdivision 11, is amended to read:

Subd. 11. **Rulemaking.** (a) The executive board is authorized to adopt, amend, and repeal rules in accordance with chapter 14 to the extent necessary to implement this chapter or any responsibilities of Direct Care and Treatment specified in state law. The 18-month time limit under section 14.125 does not apply to the rulemaking authority under this subdivision.

(b) Until July 1, 2027, the executive board may adopt rules using the expedited rulemaking process in section 14.389.

(c) In accordance with section 15.039, all orders, rules, delegations, permits, and other privileges issued or granted by the Department of Human Services with respect to any function of Direct Care and Treatment and in effect at the time of the establishment of Direct Care and Treatment shall continue in effect as if such establishment had not occurred. The executive board may amend or repeal rules applicable to Direct Care and Treatment that were established by the Department of Human Services in accordance with chapter 14.

(d) The executive board must not adopt rules that go into effect or enforce rules prior to July 1, 2025.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2024.

Sec. 33. Minnesota Statutes 2024, section 246C.12, subdivision 6, is amended to read:

Subd. 6. **~~Dissemination of~~ Admission and stay criteria; dissemination.** (a) The executive board shall establish standard admission and continued-stay criteria for state-operated services facilities to ensure that appropriate services are provided in the least restrictive setting.

(b) The executive board shall periodically disseminate criteria for admission and continued stay in a state-operated services facility. The executive board shall disseminate the criteria to the courts of the state and counties.

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

Sec. 34. Minnesota Statutes 2024, section 246C.20, is amended to read:

246C.20 CONTRACT WITH DEPARTMENT OF HUMAN SERVICES FOR ADMINISTRATIVE SERVICES.

(a) Direct Care and Treatment shall contract with the Department of Human Services to provide determinations on issues of county of financial responsibility under chapter 256G and to provide administrative and judicial review of direct care and treatment matters according to section 256.045.

(b) The executive board may prescribe rules necessary to carry out this ~~subdivision~~ section, except that the executive board must not create any rule purporting to control the decision making or processes of state human services judges under section 256.045, subdivision 4, or the decision making or processes of the commissioner of human services issuing an advisory opinion or recommended order to the executive board under section 256G.09, subdivision 3. The executive board must not create any rule purporting to control processes for determinations of financial responsibility under chapter 256G or administrative and judicial review under section 256.045 on matters outside of the jurisdiction of Direct Care and Treatment.

(c) The executive board and commissioner of human services may adopt joint rules necessary to accomplish the purposes of this section.

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

Sec. 35. **[246C.21] INTERVIEW EXPENSES.**

Job applicants for professional, administrative, or highly technical positions recruited by the Direct Care and Treatment executive board may be reimbursed for necessary travel expenses to and from interviews arranged by the Direct Care and Treatment executive board.

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

Sec. 36. **[246C.211] FEDERAL GRANTS FOR MINNESOTA INDIANS.**

The Direct Care and Treatment executive board is authorized to enter into contracts with the United States Departments of Health and Human Services; Education; and Interior, Bureau of Indian Affairs, for the purposes of receiving federal grants for the welfare and relief of Minnesota Indians.

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

Sec. 37. Minnesota Statutes 2024, section 252.291, subdivision 3, is amended to read:

Subd. 3. **Duties of commissioner of human services.** The commissioner shall:

(1) establish ~~standard admission criteria for state hospitals and~~ county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1987, to ~~assure~~ ensure that appropriate services are provided in the least restrictive setting;

(2) define services, including respite care, that may be needed in meeting individual service plan objectives;

(3) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for persons with developmental disabilities;

(4) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1987; and

(5) develop a state plan for the delivery and funding of residential day and support services to persons with developmental disabilities in Minnesota. The biennial developmental disability plan shall include but not be limited to:

(i) county by county maximum intermediate care bed utilization quotas;

(ii) plans for the development of the number and types of services alternative to intermediate care beds;

(iii) procedures for the administration and management of the plan;

(iv) procedures for the evaluation of the implementation of the plan; and

(v) the number, type, and location of intermediate care beds targeted for decertification.

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

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

Sec. 38. Minnesota Statutes 2024, section 252.50, subdivision 5, is amended to read:

Subd. 5. **Location of programs.** (a) In determining the location of state-operated, community-based programs, the needs of the individual client shall be paramount. The executive board shall also take into account:

(1) prioritization of ~~beds~~ services in state-operated, community-based programs for individuals with complex behavioral needs that cannot be met by private community-based providers;

(2) choices made by individuals who chose to move to a more integrated setting, and shall coordinate with the lead agency to ensure that appropriate person-centered transition plans are created;

(3) the personal preferences of the persons being served and their families as determined by Minnesota Rules, parts 9525.0004 to 9525.0036;

(4) the location of the support services established by the individual service plans of the persons being served;

(5) the appropriate grouping of the persons served;

(6) the availability of qualified staff;

(7) the need for state-operated, community-based programs in the geographical region of the state; and

(8) a reasonable commuting distance from a regional treatment center or the residences of the program staff.

(b) The executive board must locate state-operated, community-based programs in coordination with the commissioner of human services according to section 252.28.

Sec. 39. Minnesota Statutes 2024, section 253B.07, subdivision 2b, is amended to read:

Subd. 2b. **Apprehend and hold orders.** (a) The court may order the treatment facility or state-operated treatment program to hold the proposed patient or direct a health officer, peace officer, or other person to take the proposed patient into custody and transport the proposed patient to a treatment facility or state-operated treatment program for observation, evaluation, diagnosis, care, treatment, and, if necessary, confinement, when:

(1) there has been a particularized showing by the petitioner that serious physical harm to the proposed patient or others is likely unless the proposed patient is immediately apprehended;

(2) the proposed patient has not voluntarily appeared for the examination or the commitment hearing pursuant to the summons; or

(3) a person is held pursuant to section 253B.051 and a request for a petition for commitment has been filed.

(b) The order of the court may be executed on any day and at any time by the use of all necessary means including the imposition of necessary restraint upon the proposed patient. Where possible, a peace officer taking the proposed patient into custody pursuant to this subdivision shall not be in uniform and shall not use a vehicle visibly marked as a law enforcement vehicle. Except as provided in section 253D.10, subdivision 2, in the case of an individual on a judicial hold due to a petition for civil commitment under chapter 253D, assignment of custody during the hold is to the ~~commissioner~~ executive board. The ~~commissioner~~ executive board is responsible for determining the appropriate placement within a secure treatment facility under the authority of the ~~commissioner~~ executive board.

(c) A proposed patient must not be allowed or required to consent to nor participate in a clinical drug trial while an order is in effect under this subdivision. A consent given while an order is in effect is void and unenforceable. This paragraph does not prohibit a patient from continuing participation in a clinical drug trial if the patient was participating in the clinical drug trial at the time the order was issued under this subdivision.

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

Sec. 40. Minnesota Statutes 2024, section 253B.09, subdivision 3a, is amended to read:

Subd. 3a. **Reporting judicial commitments; private treatment program or facility.** Notwithstanding section 253B.23, subdivision 9, when a court commits a patient to a non-state-operated treatment facility or program, the court shall report the commitment to the ~~commissioner~~ executive board through the supreme court information system for purposes of providing commitment information for firearm background checks under section 246C.15. If the patient is committed to a state-operated treatment program, the court shall send a copy of the commitment order to ~~the commissioner and~~ the executive board.

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

Sec. 41. Minnesota Statutes 2024, section 253B.10, subdivision 1, is amended to read:

Subdivision 1. **Administrative requirements.** (a) When a person is committed, the court shall issue a warrant or an order committing the patient to the custody of the head of the treatment facility, state-operated treatment program, or community-based treatment program. The warrant or order shall state that the patient meets the statutory criteria for civil commitment.

(b) The executive board shall prioritize civilly committed patients being admitted from jail or a correctional institution or who are referred to a state-operated treatment facility for competency attainment or a competency examination under sections 611.40 to 611.59 for admission to a medically appropriate state-operated direct care and treatment bed based on the decisions of physicians in the executive medical director's office, using a priority admissions framework. The framework must account for a range of factors for priority admission, including but not limited to:

(1) the length of time the person has been on a waiting list for admission to a state-operated direct care and treatment program since the date of the order under paragraph (a), or the date of an order issued under sections 611.40 to 611.59;

(2) the intensity of the treatment the person needs, based on medical acuity;

(3) the person's revoked provisional discharge status;

(4) the person's safety and safety of others in the person's current environment;

(5) whether the person has access to necessary or court-ordered treatment;

(6) distinct and articulable negative impacts of an admission delay on the facility referring the individual for treatment; and

(7) any relevant federal prioritization requirements.

Patients described in this paragraph must be admitted to a state-operated treatment program within ~~48 hours~~ the timelines specified in section 253B.1005. The commitment must be ordered by the court as provided in section 253B.09, subdivision 1, paragraph (d). Patients committed to a secure treatment facility or less restrictive setting as ordered by the court under section 253B.18, subdivisions 1 and 2, must be prioritized for admission to a state-operated treatment program using the priority admissions framework in this paragraph.

(c) Upon the arrival of a patient at the designated treatment facility, state-operated treatment program, or community-based treatment program, the head of the facility or program shall retain the duplicate of the warrant and endorse receipt upon the original warrant or acknowledge receipt of the order. The endorsed receipt or acknowledgment must be filed in the court of commitment. After arrival, the patient shall be under the control and custody of the head of the facility or program.

(d) Copies of the petition for commitment, the court's findings of fact and conclusions of law, the court order committing the patient, the report of the court examiners, and the prepetition report, and any medical and behavioral information available shall be provided at the time of admission of a patient to the designated treatment facility or program to which the patient is committed. Upon a patient's referral to the executive board for admission pursuant to subdivision 1, paragraph (b), any inpatient hospital, treatment facility, jail, or correctional facility that has provided care or supervision to the patient in the previous two years shall, when requested by the treatment facility or executive board, provide copies of the patient's medical and behavioral records to the executive board for purposes of preadmission planning. This information shall be provided by the head of the treatment facility to treatment facility staff in a consistent and timely manner and pursuant to all applicable laws.

(e) ~~Patients described in paragraph (b) must be admitted to a state-operated treatment program within 48 hours of the Office of Executive Medical Director, under section 246C.09, or a designee determining that a medically appropriate bed is available. This paragraph expires on June 30, 2025.~~

~~(f)~~ Within four business days of determining which state-operated direct care and treatment program or programs are appropriate for an individual, the executive medical director's office or a designee must notify the source of the referral and the responsible county human services agency, the individual being ordered to direct care and treatment, and the district court that issued the order of the determination. The notice shall include which program or programs are appropriate for the person's priority status. Any interested person may provide additional information or request updated priority status about the individual to the executive medical director's office or a designee while the individual is awaiting admission. Updated Priority status of an individual will only be disclosed to interested persons who are legally authorized to receive private information about the individual. When an available bed has been identified, the executive medical director's office or a designee must notify the designated agency and the facility where the individual is awaiting admission that the individual has been accepted for admission to a particular state-operated direct care and treatment program and the earliest possible date the admission can occur. The designated agency or facility where the individual is awaiting admission must transport the individual to the admitting state-operated direct care and treatment program no more than 48 hours after the offered admission date.

Sec. 42. **[253B.1005] ADMISSION TIMELINES.**

Subdivision 1. **Admission required within 48 hours.** Unless required otherwise under this section, patients described in section 253B.10, subdivision 1, paragraph (b), must be admitted to a state-operated treatment program within 48 hours.

Subd. 2. **Temporary alternative admission timeline.** Patients described in section 253B.10, subdivision 1, paragraph (b), must be admitted to a state-operated treatment program within 48 hours of the Office of Executive Medical Director, under section 246C.09, or a designee determining that a medically appropriate bed is available. This subdivision expires on June 30, 2027.

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

Sec. 43. Minnesota Statutes 2024, section 253B.141, subdivision 2, is amended to read:

Subd. 2. **Apprehension; return to facility or program.** (a) Upon receiving the report of absence from the head of the treatment facility, state-operated treatment program, or community-based treatment program or the committing court, a patient may be apprehended and held by a peace officer in any jurisdiction pending return to the facility or program from which the patient is absent without authorization. A patient may also be returned to any state-operated treatment program or any other treatment facility or community-based treatment program willing to accept the person. A person who has a mental illness and is dangerous to the public and detained under this subdivision may be held in a jail or lockup only if:

(1) there is no other feasible place of detention for the patient;

(2) the detention is for less than 24 hours; and

(3) there are protections in place, including segregation of the patient, to ensure the safety of the patient.

(b) If a patient is detained under this subdivision, the head of the facility or program from which the patient is absent shall arrange to pick up the patient within 24 hours of the time detention was begun and shall be responsible for securing transportation for the patient to the facility or program. The expense of detaining and transporting a patient shall be the responsibility of the facility or program from which the patient is absent. The expense of detaining and transporting a patient to a state-operated treatment program shall be paid by the ~~commissioner~~ executive board unless paid by the patient or persons on behalf of the patient.

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

Sec. 44. Minnesota Statutes 2024, section 253B.18, subdivision 6, is amended to read:

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

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

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

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

(3) the need for continued institutionalization;

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

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

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

(d) If the committed person is not returned to the original, nonsecure transfer facility within 60 days of being readmitted to a secure treatment facility, the transfer is revoked and the committed person must remain in a secure treatment facility. The committed person must immediately be notified in writing of the revocation.

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

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

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

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

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

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

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

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

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

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

Sec. 45. Minnesota Statutes 2024, section 253B.19, subdivision 2, is amended to read:

Subd. 2. **Petition; hearing.** (a) A patient committed as a person who has a mental illness and is dangerous to the public under section 253B.18, or the county attorney of the county from which the patient was committed or the county of financial responsibility, may petition the judicial appeal panel for a rehearing and reconsideration of a decision by the ~~commissioner~~ executive board under section 253B.18, subdivision 5. The judicial appeal panel must not consider petitions for relief other than those considered by the executive board from which the appeal is taken. The petition must be filed with the supreme court within 30 days after the decision of the executive board is signed. The hearing must be held within 45 days of the filing of the petition unless an extension is granted for good cause.

(b) For an appeal under paragraph (a), the supreme court shall refer the petition to the chief judge of the judicial appeal panel. The chief judge shall notify the patient, the county attorney of the county of commitment, the designated agency, the executive board, the head of the facility or program to which the patient was committed, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing.

(c) Any person may oppose the petition. The patient, the patient's counsel, the county attorney of the committing county or the county of financial responsibility, and the executive board shall participate as parties to the proceeding pending before the judicial appeal panel and shall, except when the patient is committed solely as a person who has a mental illness and is dangerous to the public, no later than 20 days before the hearing on the petition, inform the judicial appeal panel and the opposing party in writing whether they support or oppose the petition and provide a summary of facts in support of their position. The judicial appeal panel may appoint court examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, the patient's counsel, and the county attorney of the committing county or the county of financial responsibility have the right to be present and may present and cross-examine all witnesses and offer a factual and legal basis in support of their positions. The petitioning party seeking discharge or provisional discharge bears the burden of going forward with the evidence, which means presenting a prima facie case with competent evidence to show that the person is entitled to the requested relief. If the petitioning party has met this burden, the party opposing discharge or provisional discharge bears the burden of proof by clear and convincing evidence that the discharge or provisional discharge should be denied. A party seeking transfer under section 253B.18, subdivision 6, must establish by a preponderance of the evidence that the transfer is appropriate.

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

Sec. 46. Minnesota Statutes 2024, section 253D.29, subdivision 1, is amended to read:

Subdivision 1. **Factors.** (a) A person who is committed as a sexually dangerous person or a person with a sexual psychopathic personality shall not be transferred out of a secure treatment facility unless the transfer is appropriate. Transfer may be to ~~other treatment programs~~ a facility under the control of the executive board.

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

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

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

(3) the need for continued institutionalization;

(4) which ~~other treatment program~~ facility can best meet the person's needs; and

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

Sec. 47. Minnesota Statutes 2024, section 253D.29, subdivision 2, is amended to read:

Subd. 2. **Voluntary readmission to a secure treatment facility.** (a) After a committed person has been transferred out of a secure treatment facility pursuant to subdivision 1 and with the consent of the executive director, a committed person may voluntarily return to a secure treatment facility for a period of up to 60 days.

(b) If the committed person is not returned to the ~~other treatment program~~ secure treatment facility to which the person was originally transferred pursuant to subdivision 1 within 60 days of being readmitted to a secure treatment facility under this subdivision, the transfer to the ~~other treatment program~~ secure treatment facility under subdivision 1 is revoked and the committed person shall remain in a secure treatment facility. The committed person shall immediately be notified in writing of the revocation.

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

(d) If the transfer has not been revoked and the committed person is to be returned to the ~~other treatment program~~ facility to which the committed person was originally transferred pursuant to subdivision 1 with no substantive change to the conditions of the transfer ordered pursuant to subdivision 1, no action by the special review board or judicial appeal panel is required.

Sec. 48. Minnesota Statutes 2024, section 253D.29, subdivision 3, is amended to read:

Subd. 3. **Revocation.** (a) The executive director may revoke a transfer made pursuant to subdivision 1 and require a committed person to return to a secure treatment facility if:

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

(2) the committed person has regressed in clinical progress so that the ~~other treatment program~~ facility to which the committed person was transferred is no longer sufficient to meet the committed person's needs.

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

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

(d) If a committed person's transfer is revoked, the committed person may re-petition for transfer according to section 253D.27.

(e) Any committed person aggrieved by a transfer revocation decision may petition the special review board within seven days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of the revocation report for a review of the revocation. The matter shall be scheduled within 30 days. The special review board shall review the circumstances leading to the revocation and, after considering the factors in subdivision 1, paragraph (b), shall recommend to the judicial appeal panel whether or not the revocation shall be upheld. The special review board may also recommend a new transfer out of a secure treatment facility at the time of the revocation hearing.

Sec. 49. Minnesota Statutes 2024, section 253D.30, subdivision 4, is amended to read:

Subd. 4. **Voluntary readmission.** (a) With the consent of the executive director, a committed person may voluntarily return to ~~the Minnesota Sex Offender Program~~ a secure treatment facility from provisional discharge for a period of up to 60 days.

(b) If the committed person is not returned to provisional discharge status within 60 days of being readmitted to ~~the Minnesota Sex Offender Program~~ a secure treatment facility, the provisional discharge is revoked. The committed person shall immediately be notified of the revocation in writing. Within 15 days of receiving notice of the revocation, the committed person may request a review of the matter before the special review board. The special review board shall review the circumstances of the revocation and, after applying the standards in subdivision 5, paragraph (a), shall recommend to the judicial appeal panel whether or not the revocation shall be upheld. The board may recommend a return to provisional discharge status.

(c) If the provisional discharge has not been revoked and the committed person is to be returned to provisional discharge, ~~the Minnesota Sex Offender Program is not required to petition for a further review by the special review board~~ no action by the special review board or judicial appeal panel is required unless the committed person's return to the community results in substantive change to the existing provisional discharge plan.

Sec. 50. Minnesota Statutes 2024, section 253D.30, subdivision 5, is amended to read:

Subd. 5. **Revocation.** (a) The executive director may revoke a provisional discharge if either of the following grounds exist:

(1) the committed person has departed from the conditions of the provisional discharge plan; or

(2) the committed person is exhibiting behavior which may be dangerous to self or others.

(b) The executive director may revoke the provisional discharge and, either orally or in writing, order that the committed person be immediately returned to a secure treatment facility ~~or other treatment program~~. A report documenting reasons for revocation shall be issued by the executive director within seven days after the committed person is returned to the secure treatment facility ~~or other treatment program~~. Advance notice to the committed person of the revocation is not required.

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

(d) An individual who is revoked from provisional discharge must successfully re-petition the special review board and judicial appeal panel prior to being placed back on provisional discharge.

Sec. 51. Minnesota Statutes 2024, section 256.01, subdivision 2, is amended to read:

Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall carry out the specific duties in paragraphs (a) through (bb):

(a) Administer and supervise the forms of public assistance provided for by state law and other welfare activities or services that are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(3) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(4) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(5) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017;

(6) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and Tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

The commissioner shall work in conjunction with the commissioner of children, youth, and families to carry out the duties of this paragraph when necessary and feasible.

(b) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(c) Administer and supervise all noninstitutional service to persons with disabilities, including persons who have vision impairments, and persons who are deaf, deafblind, and hard-of-hearing or with other disabilities. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals operated by the executive board when it is not feasible to provide the service in state hospitals operated by the executive board.

(d) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(e) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(f) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(g) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as developmentally disabled.

(h) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(i) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(j) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(k) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(1) the United States Secretary of Health and Human Services has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, shall be approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(l) According to federal requirements and in coordination with the commissioner of children, youth, and families, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(m) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for medical assistance in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. Disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for medical assistance. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to clause (1).

(n) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches $1,000,000. When the balance in the account exceeds $1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(o) Have the authority to establish and enforce the following county reporting requirements:

(1) the commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

(2) the county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner;

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(p) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(q) Be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the human services programs administered by the department.

(r) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(s) Have the authority to administer the federal drug rebate program for drugs purchased under the medical assistance program as allowed by section 1927 of title XIX of the Social Security Act and according to the terms and conditions of section 1927. Rebates shall be collected for all drugs that have been dispensed or administered in an outpatient setting and that are from manufacturers who have signed a rebate agreement with the United States Department of Health and Human Services.

(t) Have the authority to administer a supplemental drug rebate program for drugs purchased under the medical assistance program. The commissioner may enter into supplemental rebate contracts with pharmaceutical manufacturers and may require prior authorization for drugs that are from manufacturers that have not signed a supplemental rebate contract. Prior authorization of drugs shall be subject to the provisions of section 256B.0625, subdivision 13.

(u) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

(v) Receive any federal matching money that is made available through the medical assistance program for the consumer satisfaction survey. Any federal money received for the survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

(w) Designate community information and referral call centers and incorporate cost reimbursement claims from the designated community information and referral call centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Existing information and referral centers provided by Greater Twin Cities United Way or existing call centers for which Greater Twin Cities United Way has legal authority to represent, shall be included in these designations upon review by the commissioner and assurance that these services are accredited and in compliance with national standards. Any reimbursement is appropriated to the commissioner and all designated information and referral centers shall receive payments according to normal department schedules established by the commissioner upon final approval of allocation methodologies from the United States Department of Health and Human Services Division of Cost Allocation or other appropriate authorities.

(x) Develop recommended standards for adult foster care homes that address the components of specialized therapeutic services to be provided by adult foster care homes with those services.

(y) Authorize the method of payment to or from the department as part of the human services programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the human services programs administered by the department.

(z) Designate the agencies that operate the Senior LinkAge Line under section 256.975, subdivision 7, and the Disability Hub under subdivision 24 as the state of Minnesota Aging and Disability Resource Center under United States Code, title 42, section 3001, the Older Americans Act Amendments of 2006, and incorporate cost reimbursement claims from the designated centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Any reimbursement must be appropriated to the commissioner and treated consistent with section 256.011. All Aging and Disability Resource Center designated agencies shall receive payments of grant funding that supports the activity and generates the federal financial participation according to Board on Aging administrative granting mechanisms.

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

Sec. 52. Minnesota Statutes 2024, section 256.01, subdivision 5, is amended to read:

Subd. 5. **Gifts, contributions, pensions and benefits; acceptance.** The commissioner may receive and accept on behalf of patients ~~and residents at the several state hospitals for persons with mental illness or developmental disabilities during the period of their hospitalization and while on provisional discharge therefrom,~~ money due and payable to them as old age and survivors insurance benefits, veterans benefits, pensions or other such monetary benefits. Such gifts, contributions, pensions and benefits shall be deposited in and disbursed from the social welfare fund provided for in sections 256.88 to 256.92.

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

Sec. 53. Minnesota Statutes 2024, section 256.019, subdivision 1, is amended to read:

Subdivision 1. **Retention rates.** When an assistance recovery amount is collected and posted by a county agency under the provisions governing public assistance programs including general assistance medical care formerly codified in chapter 256D, general assistance, and Minnesota supplemental aid, the county may keep one-half of the recovery made by the county agency using any method other than recoupment. For medical

assistance, if the recovery is made by a county agency using any method other than recoupment, the county may keep one-half of the nonfederal share of the recovery. For MinnesotaCare, if the recovery is collected and posted by the county agency, the county may keep one-half of the nonfederal share of the recovery.

This does not apply to recoveries from medical providers or to recoveries begun by the Department of Human Services' Surveillance and Utilization Review Division~~, State Hospital Collections Unit,~~ and ~~the~~ Benefit Recoveries Division ~~or~~, ~~by~~ the Direct Care and Treatment State Hospital Collections Unit, the attorney general's office, or child support collections.

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

Sec. 54. Minnesota Statutes 2024, section 256.0281, is amended to read:

256.0281 INTERAGENCY DATA EXCHANGE.

(a) The Department of Human Services, the Department of Health, Direct Care and Treatment, and the Office of the Ombudsman for Mental Health and Developmental Disabilities may establish interagency agreements governing the electronic exchange of data on providers and individuals collected, maintained, or used by each agency when such exchange is outlined by each agency in an interagency agreement to accomplish the purposes in clauses (1) to (4):

(1) to improve provider enrollment processes for home and community-based services and state plan home care services;

(2) to improve quality management of providers between state agencies;

(3) to establish and maintain provider eligibility to participate as providers under Minnesota health care programs; or

(4) to meet the quality assurance reporting requirements under federal law under section 1915(c) of the Social Security Act related to home and community-based waiver programs.

(b) Each interagency agreement must include provisions to ensure anonymity of individuals, including mandated reporters, and must outline the specific uses of and access to shared data within each agency. Electronic interfaces between source data systems developed under these interagency agreements must incorporate these provisions as well as other HIPAA provisions related to individual data.

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

Sec. 55. Minnesota Statutes 2024, section 256.0451, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) The requirements in this section apply to all fair hearings and appeals under sections 142A.20, subdivision 2, and 256.045, subdivision 3, paragraph (a), clauses (1), (2), (3), (5), (6), (7), (10), and (12). Except as provided in subdivisions 3 and 19, the requirements under this section apply to fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), (8), (9), and (11).

(b) For purposes of this section, "person" means an individual who, on behalf of themselves or their household, is appealing or disputing or challenging an action, a decision, or a failure to act, by an agency ~~in the human services system~~ subject to this section. When a person involved in a proceeding under this section is represented by an attorney or by an authorized representative, the term "person" also means the person's attorney or authorized representative. Any notice sent to the person involved in the hearing must also be sent to the person's attorney or authorized representative.

(c) For purposes of this section, "agency" means ~~the~~ a county human services agency, ~~the~~ a state ~~human services~~ agency, and, where applicable, any entity involved under a contract, subcontract, grant, or subgrant with the state agency or with a county agency, that provides or operates programs or services in which appeals are governed by section 256.045.

(d) For purposes of this section, "state agency" means the Department of Human Services; the Department of Health; the Department of Education; the Department of Children, Youth, and Families; or Direct Care and Treatment.

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

Sec. 56. Minnesota Statutes 2024, section 256.0451, subdivision 3, is amended to read:

Subd. 3. **Agency appeal summary.** (a) Except in fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), (9), and (10), the agency involved in an appeal must prepare a state agency appeal summary for each fair hearing appeal. The state agency appeal summary shall be mailed or otherwise delivered to the person who is involved in the appeal at least three working days before the date of the hearing. The state agency appeal summary must also be mailed or otherwise delivered to the ~~department's~~ Department of Human Services' Appeals Office at least three working days before the date of the fair hearing appeal.

(b) In addition, the human services judge shall confirm that the state agency appeal summary is mailed or otherwise delivered to the person involved in the appeal as required under paragraph (a). The person involved in the fair hearing should be provided, through the state agency appeal summary or other reasonable methods, appropriate information about the procedures for the fair hearing and an adequate opportunity to prepare. These requirements apply equally to the state agency or an entity under contract when involved in the appeal.

(c) The contents of the state agency appeal summary must be adequate to inform the person involved in the appeal of the evidence on which the agency relies and the legal basis for the agency's action or determination.

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

Sec. 57. Minnesota Statutes 2024, section 256.0451, subdivision 6, is amended to read:

Subd. 6. **Appeal request for emergency assistance or urgent matter.** (a) When an appeal involves an application for emergency assistance, the agency involved shall mail or otherwise deliver the state agency appeal summary to the ~~department's~~ Department of Human Services' Appeals Office within two working days of receiving the request for an appeal. A person may also request that a fair hearing be held on an emergency basis when the issue requires an immediate resolution. The human services judge shall schedule the fair hearing on the earliest available date according to the urgency of the issue involved. Issuance of the recommended decision after an emergency hearing shall be expedited.

(b) The applicable commissioner or executive board shall issue a written decision within five working days of receiving the recommended decision, shall immediately inform the parties of the outcome by telephone, and shall mail the decision no later than two working days following the date of the decision.

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

Sec. 58. Minnesota Statutes 2024, section 256.0451, subdivision 8, is amended to read:

Subd. 8. **Subpoenas.** A person involved in a fair hearing or the agency may request a subpoena for a witness, for evidence, or for both. A reasonable number of subpoenas shall be issued to require the attendance and the testimony of witnesses, and the production of evidence relating to any issue of fact in the appeal hearing. The

request for a subpoena must show a need for the subpoena and the general relevance to the issues involved. The subpoena shall be issued in the name of the Department of Human Services and shall be served and enforced as provided in section 357.22 and the Minnesota Rules of Civil Procedure.

An individual or entity served with a subpoena may petition the human services judge in writing to vacate or modify a subpoena. The human services judge shall resolve such a petition in a prehearing conference involving all parties and shall make a written decision. A subpoena may be vacated or modified if the human services judge determines that the testimony or evidence sought does not relate with reasonable directness to the issues of the fair hearing appeal; that the subpoena is unreasonable, over broad, or oppressive; that the evidence sought is repetitious or cumulative; or that the subpoena has not been served reasonably in advance of the time when the appeal hearing will be held.

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

Sec. 59. Minnesota Statutes 2024, section 256.0451, subdivision 9, is amended to read:

Subd. 9. **No ex parte contact.** The human services judge shall not have ex parte contact on substantive issues with the agency or with any person or witness in a fair hearing appeal. No employee of ~~the Department or~~ an agency shall review, interfere with, change, or attempt to influence the recommended decision of the human services judge in any fair hearing appeal, except through the procedure allowed in subdivision 18. The limitations in this subdivision do not affect the applicable commissioner's or executive board's authority to review or reconsider decisions or make final decisions.

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

Sec. 60. Minnesota Statutes 2024, section 256.0451, subdivision 18, is amended to read:

Subd. 18. **Inviting comment by ~~department~~ state agency.** The human services judge or the applicable commissioner or executive board may determine that a written comment by the ~~department~~ state agency about the policy implications of a specific legal issue could help resolve a pending appeal. Such a written policy comment from the ~~department~~ state agency shall be obtained only by a written request that is also sent to the person involved and to the agency or its representative. When such a written comment is received, both the person involved in the hearing and the agency shall have adequate opportunity to review, evaluate, and respond to the written comment, including submission of additional testimony or evidence, and cross-examination concerning the written comment.

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

Sec. 61. Minnesota Statutes 2024, section 256.0451, subdivision 22, is amended to read:

Subd. 22. **Decisions.** A timely, written decision must be issued in every appeal. Each decision must contain a clear ruling on the issues presented in the appeal hearing and should contain a ruling only on questions directly presented by the appeal and the arguments raised in the appeal.

(a) A written decision must be issued within 90 days of the date the person involved requested the appeal unless a shorter time is required by law. An additional 30 days is provided in those cases where the applicable commissioner or executive board refuses to accept the recommended decision. In appeals of maltreatment determinations or disqualifications filed pursuant to section 256.045, subdivision 3, paragraph (a), clause (4), (8), or (9), that also give rise to possible licensing actions, the 90-day period for issuing final decisions does not begin until the later of the date that the licensing authority provides notice to the appeals division that the authority has made the final determination in the matter or the date the appellant files the last appeal in the consolidated matters.

(b) The decision must contain both findings of fact and conclusions of law, clearly separated and identified. The findings of fact must be based on the entire record. Each finding of fact made by the human services judge shall be supported by a preponderance of the evidence unless a different standard is required under the regulations of a particular program. The "preponderance of the evidence" means, in light of the record as a whole, the evidence leads the human services judge to believe that the finding of fact is more likely to be true than not true. The legal claims or arguments of a participant do not constitute either a finding of fact or a conclusion of law, except to the extent the human services judge adopts an argument as a finding of fact or conclusion of law.

The decision shall contain at least the following:

(1) a listing of the date and place of the hearing and the participants at the hearing;

(2) a clear and precise statement of the issues, including the dispute under consideration and the specific points which must be resolved in order to decide the case;

(3) a listing of the material, including exhibits, records, reports, placed into evidence at the hearing, and upon which the hearing decision is based;

(4) the findings of fact based upon the entire hearing record. The findings of fact must be adequate to inform the participants and any interested person in the public of the basis of the decision. If the evidence is in conflict on an issue which must be resolved, the findings of fact must state the reasoning used in resolving the conflict;

(5) conclusions of law that address the legal authority for the hearing and the ruling, and which give appropriate attention to the claims of the participants to the hearing;

(6) a clear and precise statement of the decision made resolving the dispute under consideration in the hearing; and

(7) written notice of the right to appeal to district court or to request reconsideration, and of the actions required and the time limits for taking appropriate action to appeal to district court or to request a reconsideration.

(c) The human services judge shall not independently investigate facts or otherwise rely on information not presented at the hearing. The human services judge may not contact other agency personnel, except as provided in subdivision 18. The human services judge's recommended decision must be based exclusively on the testimony and evidence presented at the hearing, and legal arguments presented, and the human services judge's research and knowledge of the law.

(d) The applicable commissioner ~~will~~ or executive board must review the recommended decision and accept or refuse to accept the decision according to section 142A.20, subdivision 3, or 256.045, subdivision 5 or 5a.

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

Sec. 62. Minnesota Statutes 2024, section 256.0451, subdivision 23, is amended to read:

Subd. 23. **Refusal to accept recommended orders.** (a) If the applicable commissioner or executive board refuses to accept the recommended order from the human services judge, the person involved, the person's attorney or authorized representative, and the agency shall be sent a copy of the recommended order, a detailed explanation of the basis for refusing to accept the recommended order, and the proposed modified order.

(b) The person involved and the agency shall have at least ten business days to respond to the proposed modification of the recommended order. The person involved and the agency may submit a legal argument concerning the proposed modification, and may propose to submit additional evidence that relates to the proposed modified order.

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

Sec. 63. Minnesota Statutes 2024, section 256.0451, subdivision 24, is amended to read:

Subd. 24. **Reconsideration.** (a) Reconsideration may be requested within 30 days of the date of the applicable commissioner's or executive board's final order. If reconsideration is requested under section 142A.20, subdivision 3, or 256.045, subdivision 5 or 5a, the other participants in the appeal shall be informed of the request. The person seeking reconsideration has the burden to demonstrate why the matter should be reconsidered. The request for reconsideration may include legal argument and may include proposed additional evidence supporting the request. The other participants shall be sent a copy of all material submitted in support of the request for reconsideration and must be given ten days to respond.

(b) When the requesting party raises a question as to the appropriateness of the findings of fact, the applicable commissioner or executive board shall review the entire record.

(c) When the requesting party questions the appropriateness of a conclusion of law, the applicable commissioner or executive board shall consider the recommended decision, the decision under reconsideration, and the material submitted in connection with the reconsideration. The applicable commissioner or executive board shall review the remaining record as necessary to issue a reconsidered decision.

(d) The applicable commissioner or executive board shall issue a written decision on reconsideration in a timely fashion. The decision must clearly inform the parties that this constitutes the final administrative decision, advise the participants of the right to seek judicial review, and the deadline for doing so.

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

Sec. 64. Minnesota Statutes 2024, section 256.4825, is amended to read:

256.4825 REPORT REGARDING PROGRAMS AND SERVICES FOR PEOPLE WITH DISABILITIES.

The Minnesota State Council on Disability, the Minnesota Consortium for Citizens with Disabilities, and the Arc of Minnesota may submit an annual report by January 15 of each year, beginning in 2012, to the chairs and ranking minority members of the legislative committees with jurisdiction over programs serving people with disabilities as provided in this section. The report must describe the existing state policies and goals for programs serving people with disabilities including, but not limited to, programs for employment, transportation, housing, education, quality assurance, consumer direction, physical and programmatic access, and health. The report must provide data and measurements to assess the extent to which the policies and goals are being met. The commissioner of human services, the Direct Care and Treatment executive board, and the commissioners of other state agencies administering programs for people with disabilities shall cooperate with the Minnesota State Council on Disability, the Minnesota Consortium for Citizens with Disabilities, and the Arc of Minnesota and provide those organizations with existing published information and reports that will assist in the preparation of the report.

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

Sec. 65. Minnesota Statutes 2024, section 256.93, subdivision 1, is amended to read:

Subdivision 1. **Limitations.** In any case where the guardianship of any child with a developmental disability or who is disabled, dependent, neglected or delinquent, or a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born, has been ~~committed~~ appointed to the commissioner of human services, and in any case where the guardianship of any person with a developmental disability has been ~~committed~~ appointed to the commissioner of human services, the court having jurisdiction of the estate may on such notice as the court may direct, authorize the commissioner to take possession of the personal property in the estate, liquidate it, and hold the proceeds in trust for the ward, to be invested, expended and accounted for as provided by sections 256.88 to 256.92.

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

Sec. 66. Minnesota Statutes 2024, section 256.98, subdivision 7, is amended to read:

Subd. 7. **Division of recovered amounts.** Except for recoveries under chapter 142E, if the state is responsible for the recovery, the amounts recovered shall be paid to the appropriate units of government. If the recovery is directly attributable to a county, the county may retain one-half of the nonfederal share of any recovery from a recipient or the recipient's estate.

This subdivision does not apply to recoveries from medical providers or to recoveries involving the Department of Human ~~services,~~ Services' Surveillance and Utilization Review Division~~, state hospital collections unit,~~ and ~~the~~ Benefit Recoveries Division or the Direct Care and Treatment State Hospital Collections Unit.

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

Sec. 67. Minnesota Statutes 2024, section 256B.092, subdivision 10, is amended to read:

Subd. 10. **Admission of persons to and discharge of persons from regional treatment centers.** (a) Prior to the admission of a person to a regional treatment center program for persons with developmental disabilities, the case manager shall make efforts to secure community-based alternatives. If these alternatives are rejected by the person, the person's legal guardian or conservator, or the county agency in favor of a regional treatment center placement, the case manager shall document the reasons why the alternatives were rejected.

(b) Assessment and support planning must be completed in accordance with requirements identified in section 256B.0911.

(c) No discharge shall take place until disputes are resolved under section 256.045, subdivision 4a, or until a review by the ~~commissioner~~ Direct Care and Treatment executive board is completed upon request of the chief executive officer or program director of the regional treatment center, or the county agency. For persons under public guardianship, the ombudsman may request a review or hearing under section 256.045.

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

Sec. 68. Minnesota Statutes 2024, section 256G.09, subdivision 4, is amended to read:

Subd. 4. **Appeals.** A local agency that is aggrieved by the order of ~~the~~ a department or the executive board may appeal the opinion to the district court of the county responsible for furnishing assistance or services by serving a written copy of a notice of appeal on ~~the~~ a commissioner or the executive board and any adverse party of record within 30 days after the date the department issued the opinion, and by filing the original notice and proof of service with the court administrator of district court. Service may be made personally or by mail. Service by mail is complete upon mailing.

~~The~~ A commissioner or the executive board may elect to become a party to the proceedings in district court. The court may consider the matter in or out of chambers and shall take no new or additional evidence.

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

Sec. 69. Minnesota Statutes 2024, section 256G.09, subdivision 5, is amended to read:

Subd. 5. **Payment pending appeal.** After ~~the~~ a department or the executive board issues an opinion in any submission under this section, the service or assistance covered by the submission must be provided or paid pending or during an appeal to the district court.

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

Sec. 70. Minnesota Statutes 2024, section 299F.77, subdivision 2, is amended to read:

Subd. 2. **Background check.** (a) For licenses issued by the commissioner under section 299F.73, the applicant for licensure must provide the commissioner with all of the information required by Code of Federal Regulations, title 28, section 25.7. The commissioner shall forward the information to the superintendent of the Bureau of Criminal Apprehension so that criminal records, histories, and warrant information on the applicant can be retrieved from the Minnesota Crime Information System and the National Instant Criminal Background Check System, as well as the civil commitment records maintained by ~~the Department of Human Services~~ Direct Care and Treatment. The results must be returned to the commissioner to determine if the individual applicant is qualified to receive a license.

(b) For permits issued by a county sheriff or chief of police under section 299F.75, the applicant for a permit must provide the county sheriff or chief of police with all of the information required by Code of Federal Regulations, title 28, section 25.7. The county sheriff or chief of police must check, by means of electronic data transfer, criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System and the National Instant Criminal Background Check System, as well as the civil commitment records maintained by ~~the Department of Human Services~~ Direct Care and Treatment. The county sheriff or chief of police shall use the results of the query to determine if the individual applicant is qualified to receive a permit.

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

Sec. 71. Minnesota Statutes 2024, section 342.04, is amended to read:

342.04 STUDIES; REPORTS.

(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).

(f) The office shall conduct an annual market analysis on the status of the regulated cannabis industry and submit a report of the findings. 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:

(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.

(g) The office shall submit an annual report to the legislature by January 15, 2024, and each January 15 thereafter. The annual report shall 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 hemp consumer industry;

(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;

(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) 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) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs;

(vi) 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.

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

Sec. 72. Minnesota Statutes 2024, section 352.91, subdivision 3f, is amended to read:

Subd. 3f. **Additional Direct Care and Treatment personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions specified in paragraph (b) in the state-operated forensic services program or the Minnesota Sex Offender Program if at least 75 percent of the employee's working time is spent in direct contact with patients and the determination of this direct contact is certified to the executive director by the ~~commissioner of human services or~~ Direct Care and Treatment executive board.

(b) The employment positions are:

(1) baker;

(2) behavior analyst 2;

(3) behavior analyst 3;

(4) certified occupational therapy assistant 1;

(5) certified occupational therapy assistant 2;

(6) client advocate;

(7) clinical program therapist 2;

(8) clinical program therapist 3;

(9) clinical program therapist 4;

(10) cook;

(11) culinary supervisor;

(12) customer services specialist principal;

(13) dental assistant registered;

(14) dental hygienist;

(15) food service worker;

(16) food services supervisor;

(17) group supervisor;

(18) group supervisor assistant;

(19) human services support specialist;

(20) licensed alcohol and drug counselor;

(21) licensed practical nurse;

(22) management analyst 3;

(23) music therapist;

(24) occupational therapist;

(25) occupational therapist, senior;

(26) physical therapist;

(27) psychologist 1;

(28) psychologist 2;

(29) psychologist 3;

(30) recreation program assistant;

(31) recreation therapist lead;

(32) recreation therapist senior;

(33) rehabilitation counselor senior;

(34) residential program lead;

(35) security supervisor;

(36) skills development specialist;

(37) social worker senior;

(38) social worker specialist;

(39) social worker specialist, senior;

(40) special education program assistant;

(41) speech pathology clinician;

(42) substance use disorder counselor senior;

(43) work therapy assistant; and

(44) work therapy program coordinator.

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

Sec. 73. Minnesota Statutes 2024, section 401.17, subdivision 1, is amended to read:

Subdivision 1. **Establishment; members.** (a) The commissioner must establish a Community Supervision Advisory Committee to develop and make recommendations to the commissioner on standards for probation, supervised release, and community supervision. The committee consists of 19 members as follows:

(1) two directors appointed by the Minnesota Association of Community Corrections Act Counties;

(2) two probation directors appointed by the Minnesota Association of County Probation Officers;

(3) three county commissioner representatives appointed by the Association of Minnesota Counties;

(4) two behavioral health, treatment, or programming providers who work directly with individuals on correctional supervision, one appointed by the ~~Department of Human Services~~ Department of Corrections and one appointed by the Minnesota Association of County Social Service Administrators;

(5) two representatives appointed by the Minnesota Indian Affairs Council;

(6) two commissioner-appointed representatives from the Department of Corrections;

(7) the chair of the statewide Evidence-Based Practice Advisory Committee;

(8) three individuals who have been supervised, either individually or collectively, under each of the state's three community supervision delivery systems appointed by the commissioner in consultation with the Minnesota Association of County Probation Officers and the Minnesota Association of Community Corrections Act Counties;

(9) an advocate for victims of crime appointed by the commissioner; and

(10) a representative from a community-based research and advocacy entity appointed by the commissioner.

(b) When an appointing authority selects an individual for membership on the committee, the authority must make reasonable efforts to reflect geographic diversity and to appoint qualified members of protected groups, as defined under section 43A.02, subdivision 33.

(c) Chapter 15 applies to the extent consistent with this section.

(d) The commissioner must convene the first meeting of the committee on or before October 1, 2023.

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

Sec. 74. Minnesota Statutes 2024, section 507.071, subdivision 1, is amended to read:

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

(a) "Beneficiary" or "grantee beneficiary" means a person or entity named as a grantee beneficiary in a transfer on death deed, including a successor grantee beneficiary.

(b) "County agency" means the county department or office designated to recover medical assistance benefits from the estates of decedents.

(c) "Grantor owner" means an owner, whether individually, as a joint tenant, or as a tenant in common, named as a grantor in a transfer on death deed upon whose death the conveyance or transfer of the described real property is conditioned. Grantor owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(d) "Owner" means a person having an ownership or other interest in all or part of the real property to be conveyed or transferred by a transfer on death deed either at the time the deed is executed or at the time the transfer becomes effective. Owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(e) "Property" and "interest in real property" mean any interest in real property located in this state which is transferable on the death of the owner and includes, without limitation, an interest in real property defined in chapter 500, a mortgage, a deed of trust, a security interest in, or a security pledge of, an interest in real property, including the rights to payments of the indebtedness secured by the security instrument, a judgment, a tax lien, both the seller's and purchaser's interest in a contract for deed, land contract, purchase agreement, or earnest money contract for the sale and purchase of real property, including the rights to payments under such contracts, or any other lien on, or interest in, real property.

(f) "Recorded" means recorded in the office of the county recorder or registrar of titles, as appropriate for the real property described in the instrument to be recorded.

(g) "State agency" means the Department of Human Services or any successor agency or Direct Care and Treatment or any successor agency.

(h) "Transfer on death deed" means a deed authorized under this section.

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

Sec. 75. Minnesota Statutes 2024, section 611.46, subdivision 1, is amended to read:

Subdivision 1. **Order to competency attainment program.** (a) If the court finds the defendant incompetent and the charges have not been dismissed, the court shall order the defendant to participate in a program to assist the defendant in attaining competency. The court may order participation in a competency attainment program provided outside of a jail, a jail-based competency attainment program, or an alternative program. The court must determine the least-restrictive program appropriate to meet the defendant's needs and public safety. In making this determination, the court must consult with the forensic navigator and consider any recommendations of the court examiner. The court shall not order a defendant to participate in a jail-based program or a state-operated treatment program if the highest criminal charge is a targeted misdemeanor.

(b) If the court orders the defendant to a locked treatment facility or jail-based program, the court must calculate the defendant's custody credit and cannot order the defendant to a locked treatment facility or jail-based program for a period that would cause the defendant's custody credit to exceed the maximum sentence for the underlying charge.

(c) The court may only order the defendant to participate in competency attainment at an inpatient or residential treatment program under this section if the head of the treatment program determines that admission to the program is clinically appropriate and consents to the defendant's admission. The court may only order the defendant to participate in competency attainment at a state-operated treatment facility under this section if the Direct Care and Treatment executive board or a designee determines that admission of the defendant is clinically appropriate and consents to the defendant's admission. The court may require a competency program that qualifies as a locked facility or a state-operated treatment program to notify the court in writing of the basis for refusing consent for admission of the defendant in order to ensure transparency and maintain an accurate record. The court may not require personal appearance of any representative of a competency program. The court shall send a written request for notification to the locked facility or state-operated treatment program and the locked facility or state-operated treatment program shall provide a written response to the court within ten days of receipt of the court's request.

(d) If the defendant is confined in jail and has not received competency attainment services within 30 days of the finding of incompetency, the court shall review the case with input from the prosecutor and defense counsel and may:

(1) order the defendant to participate in an appropriate competency attainment program that takes place outside of a jail;

(2) order a conditional release of the defendant with conditions that include but are not limited to a requirement that the defendant participate in a competency attainment program when one becomes available and accessible;

(3) make a determination as to whether the defendant is likely to attain competency in the reasonably foreseeable future and proceed under section 611.49; or

(4) upon a motion, dismiss the charges in the interest of justice.

(e) The court may order any hospital, treatment facility, or correctional facility that has provided care or supervision to a defendant in the previous two years to provide copies of the defendant's medical records to the competency attainment program or alternative program in which the defendant was ordered to participate. This information shall be provided in a consistent and timely manner and pursuant to all applicable laws.

(f) If at any time the defendant refuses to participate in a competency attainment program or an alternative program, the head of the program shall notify the court and any entity responsible for supervision of the defendant.

(g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, and any entity responsible for the supervision of the defendant prior to any planned discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge if the defendant is not being discharged to jail or a correctional facility. Upon the receipt of notification of discharge or upon the request of either party in response to notification of discharge, the court may order that a defendant who is subject to bail or unmet conditions of release be returned to jail upon being discharged from the program or facility. If the court orders a defendant returned to jail, the court shall notify the parties and head of the program at least one day before the defendant's planned discharge, except in the event of an emergency discharge where one day notice is not possible. The court must hold a review hearing within seven days of the defendant's return to jail. The forensic navigator must be given notice of the hearing and be allowed to participate.

(h) If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

(i) If the defendant is ordered to participate in an inpatient or residential competency attainment or alternative program, the program or facility must notify the court, prosecutor, defense counsel, forensic navigator, and any entity responsible for the supervision of the defendant if the defendant is placed on a leave or elopement status from the program and if the defendant returns to the program from a leave or elopement status.

(j) Defense counsel, prosecutors, and forensic navigators must have access to information relevant to a defendant's participation and treatment in a competency attainment program or alternative program, including but not limited to discharge planning.

Sec. 76. Minnesota Statutes 2024, section 611.55, is amended by adding a subdivision to read:

Subd. 5. **Data access.** Forensic navigators must have access to all data collected, created, or maintained by a competency attainment program or an alternative program regarding a defendant in order for navigators to carry out their duties under this section. A competency attainment program or alternative program may request a copy of the court order appointing the forensic navigator before disclosing any private information about a defendant.

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

Sec. 77. Minnesota Statutes 2024, section 611.57, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The Certification Advisory Committee consists of the following members:

(1) a mental health professional, as defined in section 245I.02, subdivision 27, with community behavioral health experience, appointed by the governor;

(2) a board-certified forensic psychiatrist with experience in competency evaluations, providing competency attainment services, or both, appointed by the governor;

(3) a board-certified forensic psychologist with experience in competency evaluations, providing competency attainment services, or both, appointed by the governor;

(4) the president of the Minnesota Corrections Association or a designee;

(5) the Direct Care and Treatment ~~deputy commissioner~~ chief executive officer or a designee;

(6) the president of the Minnesota Association of County Social Service Administrators or a designee;

(7) the president of the Minnesota Association of Community Mental Health Providers or a designee;

(8) the president of the Minnesota Sheriffs' Association or a designee; and

(9) the executive director of the National Alliance on Mental Illness Minnesota or a designee.

(b) Members of the advisory committee serve without compensation and at the pleasure of the appointing authority. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

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

Sec. 78. Minnesota Statutes 2024, section 611.57, subdivision 4, is amended to read:

Subd. 4. **Duties.** The Certification Advisory Committee shall consult with the Department of Human Services, the Department of Health, ~~and~~ the Department of Corrections, and Direct Care and Treatment; make recommendations to the Minnesota Competency Attainment Board regarding competency attainment curriculum, certification requirements for competency attainment programs including jail-based programs, and certification of individuals to provide competency attainment services; and provide information and recommendations on other issues relevant to competency attainment as requested by the board.

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

Sec. 79. Minnesota Statutes 2024, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. **Information.** Any person may apply for a transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(2) the sex, date of birth, height, weight, and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(3) a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the ~~commissioner of human services~~ Direct Care and Treatment executive board, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1; and

(4) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

The statements shall be signed and dated by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application. The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

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

Sec. 80. Minnesota Statutes 2024, section 624.7131, subdivision 2, is amended to read:

Subd. 2. **Investigation.** The chief of police or sheriff shall check criminal histories, records and warrant information relating to the applicant through the Minnesota Crime Information System, the national criminal record repository, and the National Instant Criminal Background Check System. The chief of police or sheriff shall also make a reasonable effort to check other available state and local record-keeping systems. The chief of police or sheriff shall obtain commitment information from the ~~commissioner of human services~~ Direct Care and Treatment executive board as provided in section 246C.15.

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

Sec. 81. Minnesota Statutes 2024, section 624.7132, subdivision 1, is amended to read:

Subdivision 1. **Required information.** Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or semiautomatic military-style assault weapon shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the proposed transferee resides or to the appropriate county sheriff if there is no such local chief of police:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(2) the sex, date of birth, height, weight, and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(3) a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the ~~commissioner of human services~~ Direct Care and Treatment executive board, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1;

(4) a statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and

(5) the address of the place of business of the transferor.

The report shall be signed and dated by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays. The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

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

Sec. 82. Minnesota Statutes 2024, section 624.7132, subdivision 2, is amended to read:

Subd. 2. **Investigation.** Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota Crime Information System, the national criminal record repository, and the National Instant Criminal Background Check System. The chief of police or sheriff shall also make a reasonable effort to check other available state and local record-keeping systems. The chief of police or sheriff shall obtain commitment information from the ~~commissioner of human services~~ Direct Care and Treatment executive board as provided in section 246C.15.

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

Sec. 83. Minnesota Statutes 2024, section 624.714, subdivision 3, is amended to read:

Subd. 3. **Form and contents of application.** (a) Applications for permits to carry must be an official, standardized application form, adopted under section 624.7151, and must set forth in writing only the following information:

(1) the applicant's name, residence, telephone number, if any, and driver's license number or state identification card number;

(2) the applicant's sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any;

(3) the township or statutory city or home rule charter city, and county, of all Minnesota residences of the applicant in the last five years, though not including specific addresses;

(4) the township or city, county, and state of all non-Minnesota residences of the applicant in the last five years, though not including specific addresses;

(5) a statement that the applicant authorizes the release to the sheriff of commitment information about the applicant maintained by the ~~commissioner of human services~~ Direct Care and Treatment executive board or any similar agency or department of another state where the applicant has resided, to the extent that the information relates to the applicant's eligibility to possess a firearm; and

(6) a statement by the applicant that, to the best of the applicant's knowledge and belief, the applicant is not prohibited by law from possessing a firearm.

(b) The statement under paragraph (a), clause (5), must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

(c) An applicant must submit to the sheriff an application packet consisting only of the following items:

(1) a completed application form, signed and dated by the applicant;

(2) an accurate photocopy of the certificate described in subdivision 2a, paragraph (c), that is submitted as the applicant's evidence of training in the safe use of a pistol; and

(3) an accurate photocopy of the applicant's current driver's license, state identification card, or the photo page of the applicant's passport.

(d) In addition to the other application materials, a person who is otherwise ineligible for a permit due to a criminal conviction but who has obtained a pardon or expungement setting aside the conviction, sealing the conviction, or otherwise restoring applicable rights, must submit a copy of the relevant order.

(e) Applications must be submitted in person.

(f) The sheriff may charge a new application processing fee in an amount not to exceed the actual and reasonable direct cost of processing the application or $100, whichever is less. Of this amount, $10 must be submitted to the commissioner and deposited into the general fund.

(g) This subdivision prescribes the complete and exclusive set of items an applicant is required to submit in order to apply for a new or renewal permit to carry. The applicant must not be asked or required to submit, voluntarily or involuntarily, any information, fees, or documentation beyond that specifically required by this subdivision. This paragraph does not apply to alternate training evidence accepted by the sheriff under subdivision 2a, paragraph (d).

(h) Forms for new and renewal applications must be available at all sheriffs' offices and the commissioner must make the forms available on the Internet.

(i) Application forms must clearly display a notice that a permit, if granted, is void and must be immediately returned to the sheriff if the permit holder is or becomes prohibited by law from possessing a firearm. The notice must list the applicable state criminal offenses and civil categories that prohibit a person from possessing a firearm.

(j) Upon receipt of an application packet and any required fee, the sheriff must provide a signed receipt indicating the date of submission.

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

Sec. 84. Minnesota Statutes 2024, section 624.714, subdivision 4, is amended to read:

Subd. 4. **Investigation.** (a) The sheriff must check, by means of electronic data transfer, criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System and the National Instant Criminal Background Check System. The sheriff shall also make a reasonable effort to check other available and relevant federal, state, or local record-keeping systems. The sheriff must obtain commitment information from the ~~commissioner of human services~~ Direct Care and Treatment executive board as provided in section 246C.15 or, if the information is reasonably available, as provided by a similar statute from another state.

(b) When an application for a permit is filed under this section, the sheriff must notify the chief of police, if any, of the municipality where the applicant resides. The police chief may provide the sheriff with any information relevant to the issuance of the permit.

(c) The sheriff must conduct a background check by means of electronic data transfer on a permit holder through the Minnesota Crime Information System and the National Instant Criminal Background Check System at least yearly to ensure continuing eligibility. The sheriff may also conduct additional background checks by means of electronic data transfer on a permit holder at any time during the period that a permit is in effect.

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

Sec. 85. Minnesota Statutes 2024, section 631.40, subdivision 3, is amended to read:

Subd. 3. **Direct Care and Treatment and Departments of Human Services; Children, Youth, and Families; and Health licensees.** When a person who is affiliated with a program or facility governed or licensed by Direct Care and Treatment; the Department of Human Services~~,~~; the Department of Children, Youth, and Families~~,~~; or the Department of Health is convicted of a disqualifying crime, the probation officer or corrections agent shall notify the commissioner of the conviction, as provided in chapter 245C.

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

Sec. 86. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 252.50, subdivision 5, as Minnesota Statutes, section 246C.11, subdivision 4a.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 252.52, as Minnesota Statutes, section 246C.191.

(c) The revisor of statutes shall make necessary cross-reference changes consistent with the renumbering in this section.

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

Sec. 87. **REPEALER.**

(a) Minnesota Statutes 2024, sections 245.4862; 246.015, subdivision 3; 246.50, subdivision 2; and 246B.04, subdivision 1a, are repealed.

(b) Laws 2024, chapter 79, article 1, sections 15; 16; and 17, are repealed.

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

ARTICLE 4
BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2024, section 3.757, subdivision 1, is amended to read:

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

(b) "Municipality" has the meaning provided in section 466.01, subdivision 1.

(c) "Opioid litigation" means any civil litigation, demand, or settlement in lieu of litigation alleging unlawful conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

(d) "Released claim" means any cause of action or other claim that has been released in a statewide opioid settlement agreement, including matters identified as a released claim as that term or a comparable term is defined in a statewide opioid settlement agreement.

(e) "Settling defendant" means an entity that engages in, has engaged in, or has provided consultation services regarding the manufacture, marketing, promotion, sale, distribution, or dispensing of opioids, and that has been the subject of a statewide opioid settlement agreement or bankruptcy plan, including but not limited to Johnson &

Johnson, AmerisourceBergen Corporation, Cardinal Health, Inc., McKesson Corporation, Teva Pharmaceuticals, Allergan plc, CVS Health Corporation, Walgreens Boots Alliance, Inc., ~~and~~ Walmart, Inc., and Purdue Pharma L. P., as well as related subsidiaries, affiliates, officers, directors, and other related entities specifically named as a released entity in a statewide opioid settlement agreement.

(f) "Statewide opioid settlement agreement" means an agreement~~, including consent judgments, assurances of discontinuance, and related agreements or documents,~~ between the attorney general, on behalf of the state, and a settling defendant, to provide or allocate remuneration for conduct related to the manufacture, marketing, promotion, sale, dispensing, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids. A statewide opioid settlement agreement includes consent judgments, assurances of discontinuance, and related agreements or documents, that contain structural or payment provisions requiring or anticipating the participation of municipalities and allowing for the allocation of settlement funds between the state and municipalities to be set through a state-specific agreement.

Sec. 2. Minnesota Statutes 2024, section 4.046, subdivision 2, is amended to read:

Subd. 2. **Subcabinet membership.** The subcabinet consists of the following members:

(1) the commissioner of human services;

(2) the commissioner of health;

(3) the commissioner of education;

(4) the commissioner of public safety;

(5) the commissioner of corrections;

(6) the commissioner of management and budget;

(7) the commissioner of higher education;

(8) the commissioner of children, youth, and families;

(9) the chief executive officer of direct care and treatment;

(10) the commissioner of commerce;

(11) the director of the Office of Cannabis Management;

~~(8)~~ (12) the chair of the Interagency Council on Homelessness; and

~~(9)~~ (13) the governor's director of addiction and recovery, who shall serve as chair of the subcabinet.

Sec. 3. Minnesota Statutes 2024, section 4.046, subdivision 3, is amended to read:

Subd. 3. **Policy and strategy development.** The subcabinet must engage in the following duties related to the development of opioid use, substance use, and addiction policy and strategy:

(1) identify challenges and opportunities that exist relating to accessing treatment and support services and develop recommendations to overcome these barriers for all Minnesotans;

(2) with input from affected communities, develop policies and strategies that will reduce barriers and gaps in service for all Minnesotans seeking treatment for opioid or substance use disorder, particularly for those Minnesotans who are members of communities disproportionately impacted by substance use and addiction;

(3) develop policies and strategies that the state may adopt to expand Minnesota's recovery infrastructure, including detoxification or withdrawal management facilities, treatment facilities, and sober housing;

(4) identify innovative services and strategies for effective treatment and support;

(5) develop policies and strategies to expand services and support for people in Minnesota suffering from opioid or substance use disorder through partnership with the Opioid Epidemic Response Advisory Council and other relevant partnerships;

(6) develop policies and strategies for agencies to manage addiction and the relationship it has with co-occurring conditions;

(7) identify policies and strategies to address opioid or substance use disorder among Minnesotans experiencing homelessness; ~~and~~

(8) submit recommendations to the legislature addressing opioid use, substance use, and addiction in Minnesota~~.~~; and

(9) develop and publish a comprehensive substance use and addiction plan for the state. The plan must establish goals and priorities for a comprehensive continuum of care for substance misuse and substance use disorder for Minnesota. All state agencies' operating programs related to substance use prevention, harm reduction, treatment, or recovery or that are administering state or federal funds for those programs shall set program goals and priorities in accordance with the state plan. Each state agency shall submit its relevant plans and budgets to the subcabinet for review upon request.

Sec. 4. Minnesota Statutes 2024, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615. "Patient" also means a minor who is admitted to a residential program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, a boarding care home under sections 144.50 to 144.56, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under chapter 245G or 245I, or Minnesota Rules, parts 9530.6510 to 9530.6590. For purposes of all subdivisions except subdivisions 20, 28, 29, 32, and 33, "resident" also means a person who is admitted to a facility licensed to provide intensive residential treatment services or residential crisis stabilization under section 245I.23.

Sec. 5. Minnesota Statutes 2024, section 169A.284, is amended to read:

169A.284 ~~CHEMICAL DEPENDENCY~~ COMPREHENSIVE ASSESSMENT CHARGE; SURCHARGE.

Subdivision 1. **When required.** (a) When a court sentences a person convicted of an offense enumerated in section 169A.70, subdivision 2 (~~chemical use~~ substance use disorder assessment; requirement; form), except as provided in paragraph (c), it shall order the person to pay the cost of the substance use disorder assessment directly to the entity conducting the assessment or providing the assessment services in an amount determined by the entity conducting or providing the service and shall impose a ~~chemical dependency~~ substance use disorder assessment charge of $25. The court may waive the $25 substance use disorder assessment charge, but may not waive the cost for the assessment paid directly to the entity conducting the assessment or providing assessment services. A person shall pay an additional surcharge of $5 if the person is convicted of a violation of section 169A.20 (driving while impaired) within five years of a prior impaired driving conviction or a prior conviction for an offense arising out of an arrest for a violation of section 169A.20 or Minnesota Statutes 1998, section 169.121 (driver under influence of alcohol or controlled substance) or 169.129 (aggravated DWI-related violations; penalty). This section applies when the sentence is executed, stayed, or suspended. The court may not waive payment of or authorize payment in installments of the substance use disorder assessment charge and surcharge ~~in installments~~ unless it makes written findings on the record that the convicted person is indigent or that the substance use disorder assessment charge and surcharge would create undue hardship for the convicted person or that person's immediate family.

(b) The ~~chemical dependency~~ substance use disorder assessment charge and surcharge required under this section are in addition to the surcharge required by section 357.021, subdivision 6 (surcharges on criminal and traffic offenders).

(c) The court must not order the person convicted of an offense enumerated in section 169A.70, subdivision 2, to pay the cost of the substance use disorder assessment if the individual is eligible for payment of the assessment under chapter 254B or 256B.

Subd. 2. **Distribution of money.** The court administrator shall collect and forward the ~~chemical dependency~~ substance use disorder assessment charge and the $5 surcharge, if any, to the commissioner of management and budget to be deposited in the state treasury and credited to the general fund.

Sec. 6. Minnesota Statutes 2024, section 245.462, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in section 245.4711.

(b) A case manager must:

(1) be skilled in the process of identifying and assessing a wide range of client needs;

(2) be knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have a bachelor's degree in one of the behavioral sciences or related fields including, but not limited to, social work, psychology, or nursing from an accredited college or university. A case manager who is not a mental health practitioner ~~and~~ or who does not have a bachelor's degree in one of the behavioral sciences or related fields must meet the requirements of paragraph (c); and

(4) meet the supervision and continuing education requirements described in paragraphs (d), (e), and (f), as applicable.

(c) Case managers without a bachelor's degree or with a bachelor's degree that is not in one of the behavioral sciences or related fields must meet one of the requirements in clauses (1) to ~~(3)~~ (5):

(1) have ~~three or~~ four years of experience as a case manager associate as defined in this section;

(2) be a registered nurse without a bachelor's degree and have a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; ~~or~~

(3) be a person who qualified as a case manager under the 1998 Department of Human Service waiver provision and meet the continuing education and mentoring requirements in this section~~.~~:

(4) prior to direct service delivery, complete at least 80 hours of specific training on the characteristics and needs of adults with serious and persistent mental illness that is consistent with national practice standards; or

(5) prior to direct service delivery, demonstrate competency in practice and knowledge of the characteristics and needs of adults with serious and persistent mental illness, consistent with national practice standards.

(d) A case manager with at least 2,000 hours of supervised experience in the delivery of services to adults with mental illness must receive regular ongoing supervision and clinical supervision totaling 38 hours per year of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The remaining 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours. Clinical supervision must be documented in the client record.

(e) A case manager without 2,000 hours of supervised experience in the delivery of services to adults with mental illness must:

(1) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour per week until the requirement of 2,000 hours of experience is met; and

(2) complete 40 hours of training approved by the commissioner in case management skills and the characteristics and needs of adults with serious and persistent mental illness.

(f) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in mental illness and mental health services every two years.

(g) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a certified peer specialist under section 256B.0615;

(iii) be a registered nurse without a bachelor's degree;

(iv) within the previous ten years, have three years of life experience with serious and persistent mental illness as defined in subdivision 20; or as a child had severe emotional disturbance as defined in section 245.4871, subdivision 6; or have three years life experience as a primary caregiver to an adult with serious and persistent mental illness within the previous ten years;

(v) have 6,000 hours work experience as a nondegreed state hospital technician; or

(vi) have at least 6,000 hours of supervised experience in the delivery of services to persons with mental illness.

Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (vi) may qualify as a case manager after three years of supervised experience as a case manager associate.

(h) A case management associate must meet the following supervision, mentoring, and continuing education requirements:

(1) have 40 hours of preservice training described under paragraph (e), clause (2);

(2) receive ~~at least 40 hours of~~ annual continuing education in mental illness and mental health services ~~annually; and~~ according to the following schedule, based on years of service as a case management associate:

(i) at least 40 hours in the first year;

(ii) at least 30 hours in the second year;

(iii) at least 20 hours in the third year; and

(iv) at least 20 hours in the fourth year; and

(3) receive at least ~~five~~ four hours of ~~mentoring~~ supervision per ~~week~~ month from a case management ~~mentor~~ supervisor.

~~A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.~~

(i) A case management supervisor must meet the criteria for mental health professionals, as specified in subdivision 18.

(j) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to adult immigrants with serious and persistent mental illness who are members of the same ethnic group as the case manager if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of this subdivision are met.

Sec. 7. Minnesota Statutes 2024, section 245.4661, subdivision 9, is amended to read:

Subd. 9. **Services and programs.** (a) The following three distinct grant programs are funded under this section:

(1) mental health crisis services;

(2) housing with supports for adults with serious mental illness; and

(3) projects for assistance in transitioning from homelessness (PATH program).

(b) In addition, the following are eligible for grant funds:

(1) community education and prevention;

(2) client outreach;

(3) early identification and intervention;

(4) adult outpatient diagnostic assessment and psychological testing;

(5) peer support services;

(6) community support program services (CSP);

(7) adult residential crisis stabilization;

(8) supported employment;

(9) assertive community treatment (ACT);

(10) housing subsidies;

(11) basic living, social skills, and community intervention;

(12) emergency response services;

(13) adult outpatient psychotherapy;

(14) adult outpatient medication management;

(15) adult mobile crisis services, including the purchase and renovation of vehicles by mobile crisis teams in order to provide protected transport under section 256B.0625, subdivision 17, paragraph (l), clause (6);

(16) adult day treatment;

(17) partial hospitalization;

(18) adult residential treatment;

(19) adult mental health targeted case management; and

(20) transportation.

Sec. 8. Minnesota Statutes 2024, section 245.469, is amended to read:

245.469 EMERGENCY SERVICES.

Subdivision 1. **Availability of emergency services.** (a) County boards must provide or contract for enough emergency services within the county to meet the needs of adults, children, and families in the county who are experiencing an emotional crisis or mental illness. Clients must not be charged for services provided. Emergency service providers must ~~not delay the timely provision of emergency services to a client because of the unwillingness or inability of the client to pay for services~~ meet the qualifications under section 256B.0624, subdivision 4. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of each client;

(2) minimize further deterioration of each client;

(3) help each client to obtain ongoing care and treatment;

(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs; and

(5) provide support, psychoeducation, and referrals to each client's family members, service providers, and other third parties on behalf of the client in need of emergency services.

(b) If a county provides engagement services under section 253B.041, the county's emergency service providers must refer clients to engagement services when the client meets the criteria for engagement services.

Subd. 2. **Specific requirements.** (a) The county board shall require that all service providers of emergency services to adults or children with mental illness provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll-free telephone access to a mental health professional, clinical trainee, or mental health practitioner.

(b) The commissioner may waive the requirement in paragraph (a) that the evening, weekend, and holiday service be provided by a mental health professional, clinical trainee, or mental health practitioner if the county documents that:

(1) mental health professionals, clinical trainees, or mental health practitioners are unavailable to provide this service;

(2) services are provided by a designated person with training in human services who receives treatment supervision from a mental health professional; and

(3) the service provider is not also the provider of fire and public safety emergency services.

(c) The commissioner may waive the requirement in paragraph (b), clause (3), that the evening, weekend, and holiday service not be provided by the provider of fire and public safety emergency services if:

(1) every person who will be providing the first telephone contact has received at least eight hours of training on emergency mental health services approved by the commissioner;

(2) every person who will be providing the first telephone contact will annually receive at least four hours of continued training on emergency mental health services approved by the commissioner;

(3) the local social service agency has provided public education about available emergency mental health services and can assure potential users of emergency services that their calls will be handled appropriately;

(4) the local social service agency agrees to provide the commissioner with accurate data on the number of emergency mental health service calls received;

(5) the local social service agency agrees to monitor the frequency and quality of emergency services; and

(6) the local social service agency describes how it will comply with paragraph (d).

(d) Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available on call for an emergency assessment and crisis intervention services, and must be available for at least telephone consultation within 30 minutes.

Subd. 3. **Mental health crisis services.** The commissioner of human services shall increase access to mental health crisis services for children and adults. In order to increase access, the commissioner must:

(1) ~~develop a central phone number where calls can be routed to the appropriate crisis services~~ promote the 988 Lifeline;

(2) provide telephone consultation 24 hours a day to mobile crisis teams who are serving people with traumatic brain injury or intellectual disabilities who are experiencing a mental health crisis;

(3) expand crisis services across the state, including rural areas of the state and examining access per population;

(4) establish and implement state standards and requirements for crisis services as outlined in section 256B.0624; and

(5) provide grants to adult mental health initiatives, counties, tribes, or community mental health providers to establish new mental health crisis residential service capacity.

Priority will be given to regions that do not have a mental health crisis residential services program, do not have an inpatient psychiatric unit within the region, do not have an inpatient psychiatric unit within 90 miles, or have a demonstrated need based on the number of crisis residential or intensive residential treatment beds available to meet the needs of the residents in the region. At least 50 percent of the funds must be distributed to programs in rural Minnesota. Grant funds may be used for start-up costs, including but not limited to renovations, furnishings, and staff training. Grant applications shall provide details on how the intended service will address identified needs and shall demonstrate collaboration with crisis teams, other mental health providers, hospitals, and police.

Sec. 9. Minnesota Statutes 2024, section 245.481, is amended to read:

245.481 FEES FOR MENTAL HEALTH SERVICES.

A client or, in the case of a child, the child or the child's parent may be required to pay a fee for mental health services provided under sections 245.461 to 245.4682, 245.470 to 245.486, and 245.487 to 245.4889. The fee must be based on the person's ability to pay according to the fee schedule adopted by the county board. In adopting the fee schedule for mental health services, the county board may adopt the fee schedule provided by the commissioner or adopt a fee schedule recommended by the county board and approved by the commissioner. Agencies or individuals under contract with a county board to provide mental health services under sections 245.461 to 245.486 and 245.487 to 245.4889 must not charge clients whose mental health services are paid wholly or in part from public funds fees which exceed the county board's adopted fee schedule. This section does not apply to regional treatment center fees, which are governed by sections 246.50 to 246.55.

Sec. 10. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with severe emotional disturbance and the child's family.

(b) A case manager must:

(1) have experience and training in working with children;

(2) be a mental health practitioner under section 245I.04, subdivision 4, or have at least a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (d);

(3) have experience and training in identifying and assessing a wide range of children's needs;

(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families; and

(5) meet the supervision and continuing education requirements of paragraphs (e), (f), and (g), as applicable.

(c) A case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.

(d) A case manager ~~without~~ who is not a mental health practitioner and does not have a bachelor's degree or who has a bachelor's degree that is not in one of the behavioral sciences or related fields must meet one of the requirements in clauses (1) to ~~(3)~~ (5):

(1) have three or four years of experience as a case manager associate;

(2) be a registered nurse without a bachelor's degree who has a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; ~~or~~

(3) be a person who qualified as a case manager under the 1998 Department of Human Services waiver provision and meets the continuing education, supervision, and mentoring requirements in this section~~.~~;

(4) prior to direct service delivery, complete at least 80 hours of specific training on the characteristics and needs of children with serious mental illness that is consistent with national practices standards; or

(5) prior to direct service delivery, demonstrate competency in practice and knowledge of the characteristics and needs of children with serious mental illness, consistent with national practices standards.

(e) A case manager with at least 2,000 hours of supervised experience in the delivery of mental health services to children must receive regular ongoing supervision and clinical supervision totaling 38 hours per year, of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The other 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours.

(f) A case manager without 2,000 hours of supervised experience in the delivery of mental health services to children with emotional disturbance must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with severe emotional disturbance before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour each week until the requirement of 2,000 hours of experience is met.

(g) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in severe emotional disturbance and mental health services every two years.

(h) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(i) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(j) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a registered nurse without a bachelor's degree;

(iii) have three years of life experience as a primary caregiver to a child with serious emotional disturbance as defined in subdivision 6 within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

(v) have 6,000 hours of supervised work experience in the delivery of mental health services to children with emotional disturbances; hours worked as a mental health behavioral aide I or II under section 256B.0943, subdivision 7, may count toward the 6,000 hours of supervised work experience.

Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v) may qualify as a case manager after three years of supervised experience as a case manager associate.

(k) Case manager associates must meet the following supervision, mentoring, and continuing education requirements;

(1) have 40 hours of preservice training described under paragraph (f), clause (1);

(2) receive at least 40 hours of continuing education in severe emotional disturbance and mental health service annually; and

(3) receive at least five hours of mentoring per week from a case management mentor. A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(l) A case management supervisor must meet the criteria for a mental health professional as specified in subdivision 27.

(m) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to child immigrants with severe emotional disturbance of the same ethnic group as the immigrant if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

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

Sec. 11. Minnesota Statutes 2024, section 245.4871, is amended by adding a subdivision to read:

Subd. 7a. **Clinical supervision.** "Clinical supervision" means the oversight responsibility for individual treatment plans and individual mental health service delivery, including oversight provided by the case manager. Clinical supervision must be provided by a mental health professional. The supervising mental health professional must cosign an individual treatment plan and the mental health professional's name must be documented in the client's record.

Sec. 12. Minnesota Statutes 2024, section 245.4871, subdivision 31, is amended to read:

Subd. 31. **Professional home-based family treatment.** (a) "Professional home-based family treatment" means intensive mental health services provided to children because of ~~an emotional disturbance~~ mental illness: (1) who are at risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care; (2) who are in ~~out-of-home placement~~ residential treatment or therapeutic foster care; or (3) who are returning from ~~out-of-home placement~~ residential treatment or therapeutic foster care.

(b) Services are provided to the child and the child's family primarily in the child's home environment. Services may also be provided in the child's school, child care setting, or other community setting appropriate to the child. Services must be provided on an individual family basis, must be child-oriented and family-oriented, and must be designed using information from diagnostic and functional assessments to meet the specific mental health needs of the child and the child's family. Services must be coordinated with other services provided to the child and the child's family.

(c) Examples of services are: (1) individual therapy; (2) family therapy; (3) client outreach; (4) assistance in developing individual living skills; (5) assistance in developing parenting skills necessary to address the needs of the child; (6) assistance with leisure and recreational services; (7) crisis planning, including crisis respite care and arranging for crisis placement; and (8) assistance in locating respite and child care. Services must be coordinated with other services provided to the child and family.

Sec. 13. Minnesota Statutes 2024, section 245.4874, subdivision 1, is amended to read:

Subdivision 1. **Duties of county board.** (a) The county board must:

(1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4889;

(2) consider the assessment of unmet needs in the county as reported by the local children's mental health advisory council under section 245.4875, subdivision 5, paragraph (b), clause (3). The county shall provide, upon request of the local children's mental health advisory council, readily available data to assist in the determination of unmet needs;

(3) assure that parents and providers in the county receive information about how to gain access to services provided according to sections 245.487 to 245.4889;

(4) coordinate the delivery of children's mental health services with services provided by social services, education, corrections, health, and vocational agencies to improve the availability of mental health services to children and the cost-effectiveness of their delivery;

(5) assure that mental health services delivered according to sections 245.487 to 245.4889 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

(6) provide for case management services to each child with ~~severe emotional disturbance~~ serious mental illness according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

(7) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility~~, acute care hospital inpatient treatment, or informal admission to a regional treatment center~~;

(8) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4889;

(9) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871;

(10) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age;

(11) assure that culturally competent mental health consultants are used as necessary to assist the county board in assessing and providing appropriate treatment for children of cultural or racial minority heritage; and

(12) consistent with section 245.486, arrange for or provide a children's mental health screening for:

(i) a child receiving child protective services;

(ii) a child in ~~out-of-home placement~~ residential treatment or therapeutic foster care;

(iii) a child for whom parental rights have been terminated;

(iv) a child found to be delinquent; or

(v) a child found to have committed a juvenile petty offense for the third or subsequent time.

A children's mental health screening is not required when a screening or diagnostic assessment has been performed within the previous 180 days, or the child is currently under the care of a mental health professional.

(b) When a child is receiving protective services or is in ~~out-of-home placement~~ residential treatment or foster care, the court or county agency must notify a parent or guardian whose parental rights have not been terminated of the potential mental health screening and the option to prevent the screening by notifying the court or county agency in writing.

(c) When a child is found to be delinquent or a child is found to have committed a juvenile petty offense for the third or subsequent time, the court or county agency must obtain written informed consent from the parent or legal guardian before a screening is conducted unless the court, notwithstanding the parent's failure to consent, determines that the screening is in the child's best interest.

(d) The screening shall be conducted with a screening instrument approved by the commissioner of human services according to criteria that are updated and issued annually to ensure that approved screening instruments are valid and useful for child welfare and juvenile justice populations. Screenings shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer or local social services agency staff person who is trained in the use of the screening instrument. Training in the use of the instrument shall include:

(1) training in the administration of the instrument;

(2) the interpretation of its validity given the child's current circumstances;

(3) the state and federal data practices laws and confidentiality standards;

(4) the parental consent requirement; and

(5) providing respect for families and cultural values.

If the screen indicates a need for assessment, the child's family, or if the family lacks mental health insurance, the local social services agency, in consultation with the child's family, shall have conducted a diagnostic assessment, including a functional assessment. The administration of the screening shall safeguard the privacy of children receiving the screening and their families and shall comply with the Minnesota Government Data Practices Act, chapter 13, and the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191. Screening results are classified as private data on individuals, as defined by section 13.02, subdivision 12. The county board or Tribal nation may provide the commissioner with access to the screening results for the purposes of program evaluation and improvement.

(e) When the county board refers clients to providers of children's therapeutic services and supports under section 256B.0943, the county board must clearly identify the desired services components not covered under section 256B.0943 and identify the reimbursement source for those requested services, the method of payment, and the payment rate to the provider.

Sec. 14. Minnesota Statutes 2024, section 245.4881, subdivision 3, is amended to read:

Subd. 3. **Duties of case manager.** (a) Upon a determination of eligibility for case management services, the case manager shall develop an individual family community support plan for a child as specified in subdivision 4, review the child's progress, ~~and~~ monitor the provision of services, and, if the child and the child's parent or legal guardian consent, complete a written functional assessment as defined in section 245.4871, subdivision 18a. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

(b) The case manager shall note in the child's record the services needed by the child and the child's family, the services requested by the family, services that are not available, and the unmet needs of the child and child's family. The case manager shall note this provision in the child's record.

Sec. 15. Minnesota Statutes 2024, section 245.4901, subdivision 3, is amended to read:

Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities and related expenses may include but are not limited to:

(1) identifying and diagnosing mental health conditions and substance use disorders of students;

(2) delivering mental health and substance use disorder treatment and services to students and their families, including via telehealth consistent with section 256B.0625, subdivision 3b;

(3) supporting families in meeting their child's needs, including accessing needed mental health services to support the child's parent in caregiving and navigating health care, social service, and juvenile justice systems;

(4) providing transportation for students receiving school-linked behavioral health services when school is not in session;

(5) building the capacity of schools to meet the needs of students with mental health and substance use disorder concerns, including school staff development activities for licensed and nonlicensed staff; and

(6) purchasing equipment, connection charges, on-site coordination, set-up fees, and site fees in order to deliver school-linked behavioral health services via telehealth.

(b) Grantees shall obtain all available third-party reimbursement sources as a condition of receiving a grant. For purposes of this grant program, a third-party reimbursement source excludes a public school as defined in section 120A.20, subdivision 1. Grantees shall serve students regardless of health coverage status or ability to pay.

Sec. 16. **[245.4904] INTERMEDIATE SCHOOL DISTRICT BEHAVIORAL HEALTH GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a grant program to improve behavioral health outcomes for youth attending a qualifying school unit and to build the capacity of schools to support student and teacher needs in the classroom. For purposes of this section, "qualifying school unit" means an intermediate school district organized under section 136D.01.

Subd. 2. **Eligible applicants.** An eligible applicant is an intermediate school district organized under section 136D.01, and a partner entity or provider that has demonstrated capacity to serve the youth identified in subdivision 1 that is:

(1) a mental health clinic certified under section 245I.20;

(2) a community mental health center under section 256B.0625, subdivision 5;

(3) an Indian health service facility or a facility owned and operated by a Tribe or Tribal organization operating under United States Code, title 25, section 5321;

(4) a provider of children's therapeutic services and supports as defined in section 256B.0943;

(5) enrolled in medical assistance as a mental health or substance use disorder provider agency and employs at least two full-time equivalent mental health professionals qualified according to section 245I.04, subdivision 2, or two alcohol and drug counselors licensed or exempt from licensure under chapter 148F who are qualified to provide clinical services to children and families;

(6) licensed under chapter 245G and in compliance with the applicable requirements in chapters 245A, 245C, and 260E; section 626.557; and Minnesota Rules, chapter 9544; or

(7) a licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 254B.05, subdivision 1, paragraph (b).

Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities and related expenses include but are not limited to:

(1) identifying mental health conditions and substance use disorders of students;

(2) delivering mental health and substance use disorder treatment and supportive services to students and their families within the classroom, including via telehealth consistent with section 256B.0625, subdivision 3b;

(3) delivering therapeutic interventions and customizing an array of supplementary learning experiences for students;

(4) supporting families in meeting their child's needs, including navigating health care, social service, and juvenile justice systems;

(5) providing transportation for students receiving behavioral health services when school is not in session;

(6) building the capacity of schools to meet the needs of students with mental health and substance use disorder concerns, including school staff development activities for licensed and nonlicensed staff; and

(7) purchasing equipment, connection charges, on-site coordination, set-up fees, and site fees in order to deliver school-linked behavioral health services via telehealth.

(b) Grantees must obtain all available third-party reimbursement sources as a condition of receiving grant funds. For purposes of this grant program, a third-party reimbursement source does not include a public school as defined in section 120A.20, subdivision 1. Grantees shall serve students regardless of health coverage status or ability to pay.

Subd. 4. **Calculating the share of the appropriation.** (a) Grants must be awarded to qualifying school units proportionately.

(b) The commissioner must calculate the share of the appropriation to be used in each qualifying school unit by multiplying the total appropriation going to the grantees by the qualifying school unit's average daily membership in a setting of federal instructional level 4 or higher and then dividing by the total average daily membership in a setting of federal instructional level 4 or higher for the same year for all qualifying school units.

Subd. 5. **Data collection and outcome measurement.** Grantees must provide data to the commissioner for the purpose of evaluating the Intermediate School District Behavioral Health Innovation grant program. The commissioner must consult with grantees to develop outcome measures for program capacity and performance.

Sec. 17. Minnesota Statutes 2024, section 245.4907, subdivision 3, is amended to read:

Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training for mental health ~~certified~~ family peer ~~specialists~~ specialist candidates and continuing education to certified family peer specialists as specified in section 256B.0616, subdivision 5.

Sec. 18. Minnesota Statutes 2024, section 245.50, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** A contract may not be entered into under this section for services to persons who:

(1) are serving a sentence after conviction of a criminal offense;

~~(2) are on probation or parole;~~

~~(3)~~ (2) are the subject of a presentence investigation; or

~~(4)~~ (3) have been committed involuntarily in Minnesota under chapter 253B for treatment of mental illness or chemical dependency, except as provided under subdivision 5.

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

Sec. 19. Minnesota Statutes 2024, section 245.50, is amended by adding a subdivision to read:

Subd. 6. **Contract notice.** A Minnesota mental health, chemical health, or detoxification agency or facility entering into a contract with a bordering state under this section must, within 30 days of the contract's effective date, provide the commissioner of human services with a copy of the contract. If the contract is amended, the agency or facility must provide the commissioner with a copy of each amendment within 30 days of the amendment's effective date.

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

Sec. 20. Minnesota Statutes 2024, section 245F.06, subdivision 2, is amended to read:

Subd. 2. **Comprehensive assessment.** (a) Prior to a medically stable discharge, but not later than 72 hours following admission, a license holder must provide a comprehensive assessment according to sections 245.4863, paragraph (a), and 245G.05, for each patient who has a positive screening for a substance use disorder. If a patient's medical condition prevents a comprehensive assessment from being completed within 72 hours, the license holder must document why the assessment was not completed. The comprehensive assessment must include documentation of the appropriateness of an involuntary referral through the civil commitment process.

(b) If available to the program, a patient's previous comprehensive assessment may be used in the patient record. If a previously completed comprehensive assessment is used, its contents must be reviewed to ensure the assessment is accurate and current and complies with the requirements of this chapter. The review must be completed by a staff person qualified according to section ~~245G.11, subdivision 5~~ 245G.05, subdivision 1. The license holder must document that the review was completed and that the previously completed assessment is accurate and current, or the license holder must complete an updated or new assessment.

Sec. 21. Minnesota Statutes 2024, section 245G.05, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive assessment.** (a) A comprehensive assessment of the client's substance use disorder must be administered face-to-face ~~by an alcohol and drug counselor~~ within five calendar days from the day of service initiation for a residential program or by the end of the fifth day on which a treatment service is provided in a nonresidential program. The number of days to complete the comprehensive assessment excludes the day of service initiation.

(b) A comprehensive assessment must be administered by:

(1) an alcohol and drug counselor;

(2) a mental health professional who meets the qualifications under section 245I.04, subdivision 2, practices within the scope of their professional licensure, and has at least 12 hours of training in substance use disorder and treatment;

(3) a clinical trainee who meets the qualifications under section 245I.04, subdivision 6, practicing under the supervision of a mental health professional who meets the requirements of clause (2); or

(4) an advanced practice registered nurse as defined in section 148.171, subdivision 3, who practices within the scope of their professional licensure and has at least 12 hours of training in substance use disorder and treatment.

(c) If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified staff member's dated signature. If the client received a comprehensive assessment that authorized the treatment service, ~~an alcohol and drug counselor~~ a staff member qualified under paragraph (b) may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. ~~An alcohol and drug counselor~~ A staff member qualified under paragraph (b) must sign and date the comprehensive assessment review and update.

Sec. 22. Minnesota Statutes 2024, section 245G.11, subdivision 7, is amended to read:

Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination must be provided by qualified staff. An individual is qualified to provide treatment coordination if the individual meets the qualifications of an alcohol and drug counselor under subdivision 5 or if the individual:

(1) is skilled in the process of identifying and assessing a wide range of client needs;

(2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) has ~~successfully~~ completed ~~30~~ 15 hours of ~~classroom instruction on treatment~~ education or training on substance use disorder, co-occurring conditions, and care coordination for ~~an individual~~ individuals with substance use disorder or co-occurring conditions that is consistent with national evidence-based standards;

(4) ~~has either~~ meets one of the following criteria:

(i) has a bachelor's degree in one of the behavioral sciences or related fields; ~~or~~

(ii) ~~current certification as an alcohol and drug counselor, level I, by the Upper Midwest Indian Council on Addictive Disorders;~~ ~~and~~ has a high school diploma or equivalent; or

(iii) is a mental health practitioner who meets the qualifications under section 245I.04, subdivision 4; and

(5) either has at least 1,000 hours of supervised experience working with individuals with substance use disorder or co-occurring conditions, or receives treatment supervision at least once per week until obtaining 1,000 hours of supervised experience working with individuals with substance use disorder or co-occurring conditions.

~~(5) has at least 2,000 hours of supervised experience working with individuals with substance use disorder.~~

(b) ~~A treatment coordinator must receive at least one hour of supervision regarding individual service delivery from an alcohol and drug counselor, or a mental health professional who has substance use treatment and assessments within the scope of their practice, on a monthly basis.~~ A treatment coordinator must receive the following levels of supervision from an alcohol and drug counselor or a mental health professional whose scope of practice includes substance use disorder treatment and assessments:

(1) for a treatment coordinator that has not obtained 1,000 hours of supervised experience under paragraph (a), clause (5), at least one hour of supervision per week; or

(2) for a treatment coordinator that has obtained at least 1,000 hours of supervised experience under paragraph (a), clause (5), at least one hour of supervision per month.

Sec. 23. Minnesota Statutes 2024, section 245I.05, subdivision 3, is amended to read:

Subd. 3. **Initial training.** (a) A staff person must receive training about:

(1) vulnerable adult maltreatment under section 245A.65, subdivision 3; and

(2) the maltreatment of minor reporting requirements and definitions in chapter 260E within 72 hours of first providing direct contact services to a client.

(b) Before providing direct contact services to a client, a staff person must receive training about:

(1) client rights and protections under section 245I.12;

(2) the Minnesota Health Records Act, including client confidentiality, family engagement under section 144.294, and client privacy;

(3) emergency procedures that the staff person must follow when responding to a fire, inclement weather, a report of a missing person, and a behavioral or medical emergency;

(4) specific activities and job functions for which the staff person is responsible, including the license holder's program policies and procedures applicable to the staff person's position;

(5) professional boundaries that the staff person must maintain; and

(6) specific needs of each client to whom the staff person will be providing direct contact services, including each client's developmental status, cognitive functioning, and physical and mental abilities.

(c) Before providing direct contact services to a client, a mental health rehabilitation worker, mental health behavioral aide, or mental health practitioner required to receive the training according to section 245I.04, subdivision 4, must receive 30 hours of training about:

(1) mental illnesses;

(2) client recovery and resiliency;

(3) mental health de-escalation techniques;

(4) co-occurring mental illness and substance use disorders; and

(5) psychotropic medications and medication side effects, including tardive dyskinesia.

(d) Within 90 days of first providing direct contact services to an adult client, mental health practitioner, mental health certified peer specialist, or mental health rehabilitation worker must receive training about:

(1) trauma-informed care and secondary trauma;

(2) person-centered individual treatment plans, including seeking partnerships with family and other natural supports;

(3) co-occurring substance use disorders; and

(4) culturally responsive treatment practices.

(e) Within 90 days of first providing direct contact services to a child client, mental health practitioner, mental health certified family peer specialist, mental health certified peer specialist, or mental health behavioral aide must receive training about the topics in clauses (1) to (5). This training must address the developmental characteristics of each child served by the license holder and address the needs of each child in the context of the child's family, support system, and culture. Training topics must include:

(1) trauma-informed care and secondary trauma, including adverse childhood experiences (ACEs);

(2) family-centered treatment plan development, including seeking partnership with a child client's family and other natural supports;

(3) mental illness and co-occurring substance use disorders in family systems;

(4) culturally responsive treatment practices; and

(5) child development, including cognitive functioning, and physical and mental abilities.

(f) For a mental health behavioral aide, the training under paragraph (e) must include parent team training using a curriculum approved by the commissioner.

Sec. 24. Minnesota Statutes 2024, section 245I.05, subdivision 5, is amended to read:

Subd. 5. **Additional training for medication administration.** (a) Prior to administering medications to a client under delegated authority or observing a client self-administer medications, a staff person who is not a licensed prescriber, registered nurse, or licensed practical nurse qualified under section 148.171, subdivision 8, must receive training about psychotropic medications, side effects including tardive dyskinesia, and medication management.

(b) Prior to administering medications to a client under delegated authority, a staff person must successfully complete a:

(1) medication administration training program for unlicensed personnel through an accredited Minnesota postsecondary educational institution with completion of the course documented in writing and placed in the staff person's personnel file; or

(2) formalized training program taught by a registered nurse or licensed prescriber that is offered by the license holder. A staff person's successful completion of the formalized training program must include direct observation of the staff person to determine the staff person's areas of competency.

Sec. 25. Minnesota Statutes 2024, section 245I.06, subdivision 3, is amended to read:

Subd. 3. **Treatment supervision and direct observation of mental health rehabilitation workers and mental health behavioral aides.** (a) A mental health behavioral aide or a mental health rehabilitation worker must receive direct observation from a mental health professional, clinical trainee, certified rehabilitation specialist, or mental health practitioner while the mental health behavioral aide or mental health rehabilitation worker provides treatment services to clients, no less than twice per month for the first six months of employment and once per month thereafter. The staff person performing the direct observation must approve of the progress note ~~for the observed treatment service~~ twice per month for the first six months of employment and as needed and identified in a supervision plan thereafter. Approval may be given through an attestation that is stored in the employee file.

(b) For a mental health rehabilitation worker qualified under section 245I.04, subdivision 14, paragraph (a), clause (2), item (i), treatment supervision in the first 2,000 hours of work must at a minimum consist of:

(1) monthly individual supervision; and

(2) direct observation twice per month.

Sec. 26. Minnesota Statutes 2024, section 245I.11, subdivision 5, is amended to read:

Subd. 5. **Medication administration in residential programs.** If a license holder is licensed as a residential program, the license holder must:

(1) assess and document each client's ability to self-administer medication. In the assessment, the license holder must evaluate the client's ability to: (i) comply with prescribed medication regimens; and (ii) store the client's medications safely and in a manner that protects other individuals in the facility. Through the assessment process, the license holder must assist the client in developing the skills necessary to safely self-administer medication;

(2) monitor the effectiveness of medications, side effects of medications, and adverse reactions to medications, including symptoms and signs of tardive dyskinesia, for each client. The license holder must address and document any concerns about a client's medications;

(3) ensure that no staff person or client gives a legend drug supply for one client to another client;

(4) have policies and procedures for: (i) keeping a record of each client's medication orders; (ii) keeping a record of any incident of deferring a client's medications; (iii) documenting any incident when a client's medication is omitted; and (iv) documenting when a client refuses to take medications as prescribed; and

(5) document and track medication errors, document whether the license holder notified anyone about the medication error, determine if the license holder must take any follow-up actions, and identify the staff persons who are responsible for taking follow-up actions.

Sec. 27. Minnesota Statutes 2024, section 245I.12, subdivision 5, is amended to read:

Subd. 5. **Client grievances.** (a) The license holder must have a grievance procedure that:

(1) describes to clients how the license holder will meet the requirements in this subdivision; and

(2) contains the current public contact information of the Department of Human Services, Licensing Division; the Office of Ombudsman for Mental Health and Developmental Disabilities; the Department of Health, Office of Health Facilities Complaints; and all applicable health-related licensing boards.

(b) On the day of each client's admission, the license holder must explain the grievance procedure to the client.

(c) The license holder must:

(1) post the grievance procedure in a place visible to clients and provide a copy of the grievance procedure upon request;

(2) allow clients, former clients, and their authorized representatives to submit a grievance to the license holder;

(3) within three business days of receiving a client's grievance, acknowledge in writing that the license holder received the client's grievance. If applicable, the license holder must include a notice of the client's separate appeal rights for a managed care organization's reduction, termination, or denial of a covered service;

(4) within 15 business days of receiving a client's grievance, provide a written final response to the client's grievance containing the license holder's official response to the grievance; and

(5) allow the client to bring a grievance to the person with the highest level of authority in the program.

(d) Clients may voice grievances and recommend changes in policies and services to staff and others of their choice, free from restraint, interference, coercion, discrimination, or reprisal, including threat of discharge.

Sec. 28. Minnesota Statutes 2024, section 254A.03, subdivision 1, is amended to read:

Subdivision 1. **Alcohol and Other Drug Abuse Section.** There is hereby created an Alcohol and Other Drug Abuse Section in the Department of Human Services. This section shall be headed by a director. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a. The section shall:

(1) conduct and foster basic research relating to the cause, prevention and methods of diagnosis, treatment and recovery of persons with substance misuse and substance use disorder;

~~(2) coordinate and review all activities and programs of all the various state departments as they relate to problems associated with substance misuse and substance use disorder;~~

~~(3)~~ (2) develop, demonstrate, and disseminate new methods and techniques for prevention, early intervention, treatment and recovery support for substance misuse and substance use disorder;

~~(4)~~ (3) gather facts and information about substance misuse and substance use disorder, and about the efficiency and effectiveness of prevention, treatment, and recovery support services from all comprehensive programs, including programs approved or licensed by the commissioner of human services or the commissioner of health or accredited by the Joint Commission on Accreditation of Hospitals. The state authority is authorized to require information from comprehensive programs which is reasonable and necessary to fulfill these duties. When required information has been previously furnished to a state or local governmental agency, the state authority shall collect the information from the governmental agency. The state authority shall disseminate facts and summary information about problems associated with substance misuse and substance use disorder to public and private agencies, local governments, local and regional planning agencies, and the courts for guidance to and assistance in prevention, treatment and recovery support;

~~(5)~~ (4) inform and educate the general public on substance misuse and substance use disorder;

~~(6)~~ (5) serve as the state authority concerning substance misuse and substance use disorder by monitoring the conduct of diagnosis and referral services, research and comprehensive programs. The state authority shall submit a biennial report to the governor containing a description of public services delivery and recommendations concerning increase of coordination and quality of services, and decrease of service duplication and cost;

~~(7) establish a state plan which shall set forth goals and priorities for a comprehensive continuum of care for substance misuse and substance use disorder for Minnesota. All state agencies operating substance misuse or substance use disorder programs or administering state or federal funds for such programs shall annually set their program goals and priorities in accordance with the state plan. Each state agency shall annually submit its plans and budgets to the state authority for review. The state authority shall certify whether proposed services comply with the comprehensive state plan and advise each state agency of review findings;~~

~~(8)~~ (6) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using federal funds, and state funds as authorized to pay for costs of state administration, including evaluation, statewide programs and services, research and demonstration projects, and American Indian programs;

~~(9)~~ (7) receive and administer money available for substance misuse and substance use disorder programs under the alcohol, drug abuse, and mental health services block grant, United States Code, title 42, sections 300X to 300X-9;

~~(10)~~ (8) solicit and accept any gift of money or property for purposes of Laws 1973, chapter 572, and any grant of money, services, or property from the federal government, the state, any political subdivision thereof, or any private source; and

~~(11)~~ (9) with respect to substance misuse and substance use disorder programs serving the American Indian community, establish guidelines for the employment of personnel with considerable practical experience in substance misuse and substance use disorder, and understanding of social and cultural problems related to substance misuse and substance use disorder, in the American Indian community.

Sec. 29. Minnesota Statutes 2024, section 254A.19, subdivision 6, is amended to read:

Subd. 6. **Assessments for detoxification programs.** For detoxification programs licensed under chapter 245A according to Minnesota Rules, parts 9530.6510 to 9530.6590, a "chemical use assessment" is a comprehensive assessment completed according to the requirements of section 245G.05 ~~and a "chemical dependency assessor" or "assessor" is an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5~~.

Sec. 30. Minnesota Statutes 2024, section 254A.19, subdivision 7, is amended to read:

Subd. 7. **Assessments for children's residential facilities.** For children's residential facilities licensed under chapter 245A according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0430 to 2960.0490, a "chemical use assessment" is a comprehensive assessment completed according to the requirements of section 245G.05 ~~and must be completed by an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5~~.

Sec. 31. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment provided according to section 254A.19, subdivision 3, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 254A.19, subdivision 3. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5). A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8.

(d) A recovery community organization that meets the requirements of clauses (1) to ~~(14)~~ (15) and meets certification ~~or accreditation~~ requirements of the ~~Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Support Services,~~ Minnesota Alliance of Recovery Community Organizations or ~~a~~ another Minnesota statewide recovery organization identified by the commissioner is an eligible vendor of peer recovery support services. If the commissioner does not identify another statewide recovery organization, or the Minnesota Alliance of Recovery Community Organizations or the statewide recovery organization identified by the commissioner is not reasonably positioned to certify vendors, the commissioner must determine the eligibility of a vendor of peer recovery support services. A Minnesota statewide recovery organization identified by the commissioner must update recovery community organization applicants for certification ~~or accreditation~~ on the status of the application within 45 days of receipt. If the approved statewide recovery organization denies an application, it must provide a written explanation for the denial to the recovery community organization. Eligible vendors under this paragraph must:

(1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be free from conflicting self-interests, and be autonomous in decision-making, program development, peer recovery support services provided, and advocacy efforts for the purpose of supporting the recovery community organization's mission;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) have a mission statement and conduct corresponding activities indicating that the organization's primary purpose is to support recovery from substance use disorder;

(4) demonstrate ongoing community engagement with the identified primary region and population served by the organization, including individuals in recovery and their families, friends, and recovery allies;

(5) be accountable to the recovery community through documented priority-setting and participatory decision-making processes that promote the engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;

(6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building, and harm-reduction activities, and provide recovery public education and advocacy;

(7) have written policies that allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;

(8) maintain organizational practices to meet the needs of Black, Indigenous, and people of color communities, LGBTQ+ communities, and other underrepresented or marginalized communities. Organizational practices may include board and staff training, service offerings, advocacy efforts, and culturally informed outreach and services;

(9) use recovery-friendly language in all media and written materials that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma;

(10) establish and maintain a publicly available recovery community organization code of ethics and grievance policy and procedures;

(11) not classify or treat any recovery peer hired on or after July 1, 2024, as an independent contractor;

(12) not classify or treat any recovery peer as an independent contractor on or after January 1, 2025;

(13) provide an orientation for recovery peers that includes an overview of the consumer advocacy services provided by the Ombudsman for Mental Health and Developmental Disabilities and other relevant advocacy services; ~~and~~

(14) provide notice to peer recovery support services participants that includes the following statement: "If you have a complaint about the provider or the person providing your peer recovery support services, you may contact the Minnesota Alliance of Recovery Community Organizations. You may also contact the Office of Ombudsman for Mental Health and Developmental Disabilities." The statement must also include:

(i) the telephone number, website address, email address, and mailing address of the Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman for Mental Health and Developmental Disabilities;

(ii) the recovery community organization's name, address, email, telephone number, and name or title of the person at the recovery community organization to whom problems or complaints may be directed; and

(iii) a statement that the recovery community organization will not retaliate against a peer recovery support services participant because of a complaint.; and

(15) comply with the requirements of section 245A.04, subdivision 15a.

(e) A recovery community organization approved by the commissioner before June 30, 2023, must have begun the application process as required by an approved certifying or accrediting entity and have begun the process to meet the requirements under paragraph (d) by September 1, 2024, in order to be considered as an eligible vendor of peer recovery support services.

(f) A recovery community organization that is aggrieved by an accreditation, a certification, or membership determination and believes it meets the requirements under paragraph (d) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (14), for reconsideration as an eligible vendor. If the human services judge determines that the recovery community organization meets the requirements under paragraph (d), the recovery community organization is an eligible vendor of peer recovery support services for up to two years from the date of the determination. After two years, the recovery community organization must apply for certification under paragraph (d) to continue to be an eligible vendor of peer recovery support services.

(g) All recovery community organizations must be certified or accredited by an entity listed in paragraph (d) by June 30, 2025 2027.

(h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

(i) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 254A.19, subdivision 3, and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

(j) Any complaints about a recovery community organization or peer recovery support services may be made to and reviewed or investigated by the ombudsperson for behavioral health and developmental disabilities under sections 245.91 and 245.94.

Sec. 32. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5). The commissioner shall use the base payment rate of $79.84 per day for services provided under this item;

(vi) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled treatment services each week. The commissioner shall use the base payment rate of $166.13 per day for services provided under this item;

(vii) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6). The commissioner shall use the specified base payment rate of $224.06 per day for services provided under this item; and

(viii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7). The commissioner shall use the specified base payment rate of $224.06 per day for services provided under this item;

(2) comprehensive assessments provided according to section 254A.19, subdivision 3;

(3) treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) withdrawal management services provided according to chapter 245F;

(6) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to 144.56;

(7) substance use disorder treatment services with medications for opioid use disorder provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17 and 245G.22, or under an applicable Tribal license;

(8) medium-intensity residential treatment services that provide 15 hours of skilled treatment services each week and are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license;

(9) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable Tribal license;

(10) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(11) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to one hour per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) the program employs a mental health professional as defined in section 245I.04, subdivision 2;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission, excluding weekends and holidays;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (5), items (i) to (iv).

(f) Substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

(j) A license holder that is unable to provide all residential treatment services because a client missed services remains eligible to bill for the client's intensity level of services under this paragraph if the license holder can document the reason the client missed services and the interventions done to address the client's absence.

(k) Hours in a treatment week may be reduced in observance of federally recognized holidays.

(l) Eligible vendors of peer recovery support services must:

(1) submit to a review by the commissioner of up to ten percent of all medical assistance and behavioral health fund claims to determine the medical necessity of peer recovery support services for entities billing for peer recovery support services individually and not receiving a daily rate; and

(2) limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services.

(m) Peer recovery support services not provided in accordance with section 254B.052 are subject to monetary recovery under section 256B.064 as money improperly paid.

Sec. 33. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to read:

Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims, submissions must follow the guidelines in the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System and the American Medical Association's Current Procedural Terminology to determine the appropriate units of time to report.

(b) More than half the duration of a time-based code must be spent performing the service to be eligible under this section. Any other claim submission for service provided during the remaining balance of the unit of time is duplicative and ineligible.

(c) A provider may only round up to the next whole number of service units on a submitted claim when more than one and one-half times the defined value of the code has occurred and no additional time increment code exists.

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

Sec. 34. Minnesota Statutes 2024, section 256.01, subdivision 34, is amended to read:

Subd. 34. **Federal administrative reimbursement dedicated.** Federal administrative reimbursement resulting from the following activities is appropriated to the commissioner for the designated purposes:

(1) reimbursement for the Minnesota senior health options project; ~~and~~

(2) reimbursement related to prior authorization, review of medical necessity, and inpatient admission certification by a professional review organization. A portion of these funds must be used for activities to decrease unnecessary pharmaceutical costs in medical assistance~~.~~; and

(3) reimbursement for capacity building and implementation grant expenditures for the medical assistance reentry demonstration waiver under section 256B.0761.

Sec. 35. Minnesota Statutes 2024, section 256B.0616, subdivision 4, is amended to read:

Subd. 4. **Family peer support ~~specialist~~ program providers.** The commissioner shall develop a process to certify family peer support ~~specialist~~ programs, in accordance with the federal guidelines, in order for the program to bill for reimbursable services. Family peer support programs must operate within an existing mental health community provider or center.

Sec. 36. Minnesota Statutes 2024, section 256B.0616, subdivision 5, is amended to read:

Subd. 5. **Certified family peer specialist training and certification.** (a) The commissioner shall develop ~~a~~ or approve the use of an existing training and certification process for ~~certified~~ certifying family peer specialists. ~~The~~ Family peer specialist candidates must have raised or be currently raising a child with a mental illness~~,~~; have ~~had~~ experience navigating the children's mental health system~~,~~; and ~~must~~ demonstrate leadership and advocacy skills and a strong dedication to family-driven and family-focused services. The training curriculum must teach participating family peer ~~specialists~~ specialist candidates specific skills relevant to providing peer support to other parents and youth.

(b) In addition to initial training and certification, the commissioner shall develop ongoing continuing educational workshops on pertinent issues related to family peer support counseling.

(c) Initial training leading to certification as a family peer specialist and continuing education for certified family peer specialists must be delivered by the commissioner or a third-party organization approved by the commissioner. An approved third-party organization may also provide continuing education of certified family peer specialists.

Sec. 37. Minnesota Statutes 2024, section 256B.0622, subdivision 3a, is amended to read:

Subd. 3a. **Provider certification and contract requirements for assertive community treatment.** (a) The assertive community treatment provider must have each ACT team be certified by the state following the certification process and procedures developed by the commissioner. The certification process determines whether the ACT team meets the standards for assertive community treatment under this section, the standards in chapter 245I as required in section 245I.011, subdivision 5, and minimum program fidelity standards as measured by a nationally recognized fidelity tool approved by the commissioner. Recertification must occur at least every three years.

(b) An ACT team certified under this subdivision must meet the following standards:

(1) have capacity to recruit, hire, manage, and train required ACT team members;

(2) have adequate administrative ability to ensure availability of services;

(3) ensure flexibility in service delivery to respond to the changing and intermittent care needs of a client as identified by the client and the individual treatment plan;

(4) keep all necessary records required by law;

(5) be an enrolled Medicaid provider; ~~and~~

(6) establish and maintain a quality assurance plan to determine specific service outcomes and the client's satisfaction with services~~.~~; and

(7) ensure that overall treatment supervision to the ACT team is provided by a qualified member of the ACT team and is available during and after regular business hours and on weekends and holidays.

(c) The commissioner may intervene at any time and decertify an ACT team with cause. The commissioner shall establish a process for decertification of an ACT team and shall require corrective action, medical assistance repayment, or decertification of an ACT team that no longer meets the requirements in this section or that fails to meet the clinical quality standards or administrative standards provided by the commissioner in the application and certification process. The decertification is subject to appeal to the state.

Sec. 38. Minnesota Statutes 2024, section 256B.0622, subdivision 7a, is amended to read:

Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a) The required treatment staff qualifications and roles for an ACT team are:

(1) the team leader:

(i) ~~shall~~ must be a mental health professional~~. Individuals who are not licensed but who are eligible for licensure and are otherwise qualified may also fulfill this role~~, clinical trainee, or mental health practitioner;

(ii) must be an active member of the ACT team and provide some direct services to clients;

(iii) must be a single full-time staff member, dedicated to the ACT team, who is responsible for overseeing the administrative operations of the team and supervising team members to ensure delivery of best and ethical practices; and

(iv) must be available to ensure that overall treatment supervision to the ACT team is available after regular business hours and on weekends and holidays and is provided by a qualified member of the ACT team;

(2) the psychiatric care provider:

(i) must be a mental health professional permitted to prescribe psychiatric medications as part of the mental health professional's scope of practice. The psychiatric care provider must have demonstrated clinical experience working with individuals with serious and persistent mental illness;

(ii) shall collaborate with the team leader in sharing overall clinical responsibility for screening and admitting clients; monitoring clients' treatment and team member service delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects, and health-related conditions; actively collaborating with nurses; and helping provide treatment supervision to the team;

(iii) shall fulfill the following functions for assertive community treatment clients: provide assessment and treatment of clients' symptoms and response to medications, including side effects; provide brief therapy to clients; provide diagnostic and medication education to clients, with medication decisions based on shared decision making; monitor clients' nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and community visits;

(iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized for mental health treatment and shall communicate directly with the client's inpatient psychiatric care providers to ensure continuity of care;

(v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per 50 clients. Part-time psychiatric care providers shall have designated hours to work on the team, with sufficient blocks of time on consistent days to carry out the provider's clinical, supervisory, and administrative responsibilities. No more than two psychiatric care providers may share this role; and

(vi) shall provide psychiatric backup to the program after regular business hours and on weekends and holidays. The psychiatric care provider may delegate this duty to another qualified psychiatric provider;

(3) the nursing staff:

(i) shall consist of one to three registered nurses or advanced practice registered nurses, of whom at least one has a minimum of one-year experience working with adults with serious mental illness and a working knowledge of psychiatric medications. No more than two individuals can share a full-time equivalent position;

(ii) are responsible for managing medication, administering and documenting medication treatment, and managing a secure medication room; and

(iii) shall develop strategies, in collaboration with clients, to maximize taking medications as prescribed; screen and monitor clients' mental and physical health conditions and medication side effects; engage in health promotion, prevention, and education activities; communicate and coordinate services with other medical providers; facilitate the development of the individual treatment plan for clients assigned; and educate the ACT team in monitoring psychiatric and physical health symptoms and medication side effects;

(4) the co-occurring disorder specialist:

(i) shall be a full-time equivalent co-occurring disorder specialist who has received specific training on co-occurring disorders that is consistent with national evidence-based practices. The training must include practical knowledge of common substances and how they affect mental illnesses, the ability to assess substance use disorders and the client's stage of treatment, motivational interviewing, and skills necessary to provide counseling to clients at all different stages of change and treatment. The co-occurring disorder specialist may also be an individual who is a licensed alcohol and drug counselor as described in section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience, and other requirements in section 245G.11, subdivision 5. No more than two co-occurring disorder specialists may occupy this role; and

(ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients. The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT team members on co-occurring disorders;

(5) the vocational specialist:

(i) shall be a full-time vocational specialist who has at least one-year experience providing employment services or advanced education that involved field training in vocational services to individuals with mental illness. An individual who does not meet these qualifications may also serve as the vocational specialist upon completing a training plan approved by the commissioner;

(ii) shall provide or facilitate the provision of vocational services to clients. The vocational specialist serves as a consultant and educator to fellow ACT team members on these services; and

(iii) must not refer individuals to receive any type of vocational services or linkage by providers outside of the ACT team;

(6) the mental health certified peer specialist:

(i) shall be a full-time equivalent. No more than two individuals can share this position. The mental health certified peer specialist is a fully integrated team member who provides highly individualized services in the community and promotes the self-determination and shared decision-making abilities of clients. This requirement may be waived due to workforce shortages upon approval of the commissioner;

(ii) must provide coaching, mentoring, and consultation to the clients to promote recovery, self-advocacy, and self-direction, promote wellness management strategies, and assist clients in developing advance directives; and

(iii) must model recovery values, attitudes, beliefs, and personal action to encourage wellness and resilience, provide consultation to team members, promote a culture where the clients' points of view and preferences are recognized, understood, respected, and integrated into treatment, and serve in a manner equivalent to other team members;

(7) the program administrative assistant shall be a full-time office-based program administrative assistant position assigned to solely work with the ACT team, providing a range of supports to the team, clients, and families; and

(8) additional staff:

(i) shall be based on team size. Additional treatment team staff may include mental health professionals; clinical trainees; certified rehabilitation specialists; mental health practitioners; or mental health rehabilitation workers. These individuals shall have the knowledge, skills, and abilities required by the population served to carry out rehabilitation and support functions; and

(ii) shall be selected based on specific program needs or the population served.

(b) Each ACT team must clearly document schedules for all ACT team members.

(c) Each ACT team member must serve as a primary team member for clients assigned by the team leader and are responsible for facilitating the individual treatment plan process for those clients. The primary team member for a client is the responsible team member knowledgeable about the client's life and circumstances and writes the individual treatment plan. The primary team member provides individual supportive therapy or counseling, and provides primary support and education to the client's family and support system.

(d) Members of the ACT team must have strong clinical skills, professional qualifications, experience, and competency to provide a full breadth of rehabilitation services. Each staff member shall be proficient in their respective discipline and be able to work collaboratively as a member of a multidisciplinary team to deliver the majority of the treatment, rehabilitation, and support services clients require to fully benefit from receiving assertive community treatment.

(e) Each ACT team member must fulfill training requirements established by the commissioner.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 39. Minnesota Statutes 2024, section 256B.0761, subdivision 4, is amended to read:

Subd. 4. **Services and duration.** (a) Services must be provided 90 days prior to an individual's release date or, if an individual's confinement is less than 90 days, during the time period between a medical assistance eligibility determination and the release to the community.

(b) Facilities must offer the following services using either community-based or corrections-based providers:

(1) case management activities to address physical and behavioral health needs, including a comprehensive assessment of individual needs, development of a person-centered care plan, referrals and other activities to address assessed needs, and monitoring and follow-up activities;

(2) drug coverage in accordance with section 256B.0625, subdivision 13, including up to a 30-day supply of drugs upon release;

(3) substance use disorder comprehensive assessments according to section 254B.05, subdivision 5, paragraph (b), clause (2);

(4) treatment coordination services according to section 254B.05, subdivision 5, paragraph (b), clause (3);

(5) peer recovery support services according to sections 245I.04, subdivisions 18 and 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

(6) substance use disorder individual and group counseling provided according to sections 245G.07, subdivision 1, paragraph (a), clause (1), and 254B.05;

(7) mental health diagnostic assessments as required under section 245I.10;

(8) group and individual psychotherapy as required under section 256B.0671;

(9) peer specialist services as required under sections 245I.04 and 256B.0615;

(10) family planning and obstetrics and gynecology services; ~~and~~

(11) physical health well-being and screenings and care for adults and youth~~.~~<u>; and</u>

<u>(12) medications used for the treatment of opioid use disorder and nonmedication treatment services for opioid use disorder under section 245G.22.</u>

(c) Services outlined in this subdivision must only be authorized when an individual demonstrates medical necessity or other eligibility as required under this chapter or applicable state and federal laws.

Sec. 40. Minnesota Statutes 2024, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner must adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Cost-sharing for prescription drugs and related medical supplies to treat chronic disease must comply with the requirements of section 62Q.481.

(e) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic services or testing that a health care provider determines an enrollee requires after a mammogram, as specified under section 62A.30, subdivision 5.

(f) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

(g) Co-payments, coinsurance, and deductibles do not apply to pre-exposure prophylaxis (PrEP) and postexposure prophylaxis (PEP) medications when used for the prevention or treatment of the human immunodeficiency virus (HIV).

(h) Co-payments, coinsurance, and deductibles do not apply to mobile crisis intervention or crisis assessment as defined in section 256B.0624, subdivision 2.

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

Sec. 41. **REVISOR INSTRUCTION.**

The revisor of statutes shall substitute the term "substance use disorder assessment" or similar terms for "chemical dependency assessment" or similar terms, for "chemical use assessment" or similar terms, and for "comprehensive substance use disorder assessment" or similar terms wherever they appear in Minnesota Statutes, chapter 169A, and Minnesota Rules, chapter 7503, when referring to the assessments required under Minnesota Statutes, section 169A.70, or the charges or surcharges associated with those assessments.

Sec. 42. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the terms "sober home" and "sober homes" to "recovery residence" or "recovery residences" wherever they appear in Minnesota Statutes.

ARTICLE 5
DEPARTMENT OF HUMAN SERVICES OFFICE OF INSPECTOR GENERAL

Section 1. Minnesota Statutes 2024, section 142E.51, subdivision 5, is amended to read:

Subd. 5. **Administrative disqualification of child care providers caring for children receiving child care assistance.** (a) The department shall pursue an administrative disqualification~~,~~ if the child care provider is accused of committing an intentional program violation, in lieu of a criminal action when it has not been pursued. Intentional program violations include intentionally making false or misleading statements; intentionally offering, providing, soliciting, or receiving illegal remuneration as described in subdivision 6a or in violation of section 609.542, subdivision 2; intentionally misrepresenting, concealing, or withholding facts; and repeatedly and intentionally violating program regulations under this chapter. Intent may be proven by demonstrating a pattern of conduct that violates program rules under this chapter.

(b) To initiate an administrative disqualification, the commissioner must send written notice using a signature-verified confirmed delivery method to the provider against whom the action is being taken. Unless otherwise specified under this chapter or Minnesota Rules, chapter 3400, the commissioner must send the written notice at least 15 calendar days before the adverse action's effective date. The notice shall state (1) the factual basis for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal the agency's proposed action.

(c) The provider may appeal an administrative disqualification by submitting a written request to the state agency. A provider's request must be received by the state agency no later than 30 days after the date the commissioner mails the notice.

(d) The provider's appeal request must contain the following:

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

(2) the computation the provider believes to be correct, if applicable;

(3) the statute or rule relied on for each disputed item; and

(4) the name, address, and telephone number of the person at the provider's place of business with whom contact may be made regarding the appeal.

(e) On appeal, the issuing agency bears the burden of proof to demonstrate by a preponderance of the evidence that the provider committed an intentional program violation.

(f) The hearing is subject to the requirements of section 142A.20. The human services judge may combine a fair hearing and administrative disqualification hearing into a single hearing if the factual issues arise out of the same or related circumstances and the provider receives prior notice that the hearings will be combined.

(g) A provider found to have committed an intentional program violation and is administratively disqualified must be disqualified, for a period of three years for the first offense and permanently for any subsequent offense, from receiving any payments from any child care program under this chapter.

(h) Unless a timely and proper appeal made under this section is received by the department, the administrative determination of the department is final and binding.

Sec. 2. Minnesota Statutes 2024, section 142E.51, subdivision 6, is amended to read:

Subd. 6. **Prohibited hiring ~~practice~~ practices.** ~~It is prohibited to~~ A person must not hire a child care center employee when, as a condition of employment, the employee is required to have one or more children who are eligible for or receive child care assistance, if:

(1) the individual hiring the employee is, or is acting at the direction of or in cooperation with, a child care center provider, center owner, director, manager, license holder, or other controlling individual; and

(2) the individual hiring the employee knows or has reason to know the purpose in hiring the employee is to obtain child care assistance program funds.

Sec. 3. Minnesota Statutes 2024, section 142E.51, is amended by adding a subdivision to read:

Subd. 6a. **Illegal remuneration.** (a) Except as provided in paragraph (b), program applicants, participants, and providers must not offer, provide, solicit, or receive money, a discount, a credit, a waiver, a rebate, a good, a service, employment, or anything else of value in exchange for:

(1) obtaining or attempting to obtain child care assistance program benefits; or

(2) directing a person's child care assistance program benefits to a particular provider.

(b) The prohibition in paragraph (a) does not apply to:

(1) marketing or promotional offerings that directly benefit an applicant or recipient's child or dependent for whom the child care provider is providing child care services; or

(2) child care provider discounts, scholarships, or other financial assistance allowed under section 142E.17, subdivision 7.

(c) An attempt to buy or sell access to a family's child care assistance program benefits to an unauthorized person by an applicant, a participant, or a provider is an intentional program violation under subdivision 5 and wrongfully obtaining assistance under section 256.98.

Sec. 4. Minnesota Statutes 2024, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615. "Patient" also means a ~~minor~~ person who is admitted to a residential program as defined in section 253C.01. "Patient" also means a person who is admitted to a residential substance use disorder treatment program licensed according to Minnesota Rules, parts 2960.0430 to 2960.0490. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment or substance use disorder treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, a boarding care home under sections 144.50 to 144.56, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and ~~which~~ that operates a ~~rehabilitation~~ withdrawal management program licensed under chapter 245F, a residential substance use disorder treatment program licensed under chapter 245G ~~or~~, an intensive residential treatment services or residential crisis stabilization program licensed under chapter 245I, or a detoxification program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590.

Sec. 5. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have

a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy <u>before the employee, subcontractor, or volunteer has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program</u>.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

Sec. 6. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

(1) the name of the license holder;

(2) the address of the program;

(3) the effective date and expiration date of the license;

(4) the type of license;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the observation required by subdivision 4, paragraph (a), clause (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a license if the applicant, license holder, or an affiliated controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter or chapter 142B within the past two years;

(3) had a license issued under this chapter or chapter 142B revoked within the past five years; or

(4) failed to submit the information required of an applicant under subdivision 1, paragraph (f), (g), or (h), after being requested by the commissioner.

When a license issued under this chapter or chapter 142B is revoked, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant or license holder or licenses affiliated with each controlling individual shall also be revoked.

(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

(h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must ~~apply for and be granted~~ comply with the requirements in section 245A.10 and be reissued a new license to operate the program or the program must not be operated after the expiration date. Adult foster care, family adult day services, child foster residence setting, and community residential services license holders must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(l) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a Tribal licensing authority has established jurisdiction to license the program or service.

(m) The commissioner of human services may coordinate and share data with the commissioner of children, youth, and families to enforce this section.

Sec. 7. Minnesota Statutes 2024, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies that have been designated by the commissioner to perform licensing functions and activities under section 245A.04; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of child foster residence setting and community residential setting;

(2) until the responsibility for family child foster care transfers to the commissioner of children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of family child foster care and family adult foster care;

(3) until the responsibility for family child care transfers to the commissioner of children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of family adult foster care and family child care;

(4) adult foster care or community residential setting maximum capacity;

(5) adult foster care or community residential setting minimum age requirement;

(6) child foster care maximum age requirement;

(7) variances regarding disqualified individuals;

(8) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(9) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(10) variances to section 142B.46 for the use of a cradleboard for a cultural accommodation.

(b) Once the respective responsibilities transfer from the commissioner of human services to the commissioner of children, youth, and families, under Laws 2023, chapter 70, article 12, section 30, the commissioners of human services and children, youth, and families must both approve a variance for dual licensure of family child foster care and family adult foster care or family adult foster care and family child care. Variances under this paragraph are excluded from the delegation of variance authority and may be issued only by both commissioners.

~~(c) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.~~

~~(d) A~~ (c) An adult foster care, family adult day services, child foster residence setting, or community residential services license issued under this section may be issued for up to two years until implementation of the provider licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

~~(e)~~ (d) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

~~(f)~~ (e) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county agencies.

Sec. 8. Minnesota Statutes 2024, section 245A.242, subdivision 2, is amended to read:

Subd. 2. **Emergency overdose treatment.** (a) A license holder must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose and must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of opiate antagonists on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both, before the staff has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(b) Notwithstanding any requirements to the contrary in Minnesota Rules, chapters 2960 and 9530, and Minnesota Statutes, chapters 245F, 245G, and 245I:

(1) emergency opiate antagonist medications are not required to be stored in a locked area and staff and adult clients may carry this medication on them and store it in an unlocked location;

(2) staff persons who only administer emergency opiate antagonist medications only require the training required by paragraph (a), which any knowledgeable trainer may provide. The trainer is not required to be a registered nurse or part of an accredited educational institution; and

(3) nonresidential substance use disorder treatment programs that do not administer client medications beyond emergency opiate antagonist medications are not required to have the policies and procedures required in section 245G.08, subdivisions 5 and 6, and must instead describe the program's procedures for administering opiate antagonist medications in the license holder's description of health care services under section 245G.08, subdivision 1.

Sec. 9. Minnesota Statutes 2024, section 245C.05, is amended by adding a subdivision to read:

Subd. 9. **Electronic signature.** For documentation requiring a signature under this chapter, use of an electronic signature as defined under section 325L.02, paragraph (h), is allowed.

Sec. 10. Minnesota Statutes 2024, section 245C.08, subdivision 3, is amended to read:

Subd. 3. **Arrest and investigative information.** (a) For any background study completed under this section, if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual, the commissioner also may review arrest and investigative information from:

(1) the Bureau of Criminal Apprehension;

(2) the commissioners of children, youth, and families; health; and human services;

(3) a ~~county attorney~~ prosecutor;

~~(4) a county sheriff;~~

~~(5)~~ (4) a county agency;

~~(6)~~ (5) a ~~local chief of police~~ law enforcement agency;

~~(7)~~ (6) other states;

~~(8)~~ (7) the courts;

~~(9)~~ (8) the Federal Bureau of Investigation;

~~(10)~~ (9) the National Criminal Records Repository; and

~~(11)~~ (10) criminal records from other states.

(b) Except when specifically required by law, the commissioner is not required to conduct more than one review of a subject's records from the Federal Bureau of Investigation if a review of the subject's criminal history with the Federal Bureau of Investigation has already been completed by the commissioner and there has been no break in the subject's affiliation with the entity that initiated the background study.

(c) If the commissioner conducts a national criminal history record check when required by law and uses the information from the national criminal history record check to make a disqualification determination, the data obtained is private data and cannot be shared with private agencies or prospective employers of the background study subject.

(d) If the commissioner conducts a national criminal history record check when required by law and uses the information from the national criminal history record check to make a disqualification determination, the license holder or entity that submitted the study is not required to obtain a copy of the background study subject's disqualification letter under section 245C.17, subdivision 3.

Sec. 11. Minnesota Statutes 2024, section 245C.22, subdivision 5, is amended to read:

Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under this section, the disqualified individual remains disqualified, but may hold a license and have direct contact with or access to persons receiving services. Except as provided in paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the licensed program, applicant, or agency specified in the set aside notice under section 245C.23. For personal care provider organizations, financial management services organizations, community first services and supports organizations, unlicensed home and community-based organizations, and consumer-directed community

supports organizations, the commissioner's set-aside may further be limited to a specific individual who is receiving services. For new background studies required under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(b) If the commissioner has previously set aside an individual's disqualification for one or more programs or agencies, and the individual is the subject of a subsequent background study for a different program or agency, the commissioner shall determine whether the disqualification is set aside for the program or agency that initiated the subsequent background study. A notice of a set-aside under paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

(1) the subsequent background study was initiated in connection with a program licensed or regulated under the same provisions of law and rule for at least one program for which the individual's disqualification was previously set aside by the commissioner;

(2) the individual is not disqualified for an offense specified in section 245C.15, subdivision 1 or 2;

(3) the commissioner has received no new information to indicate that the individual may pose a risk of harm to any person served by the program; and

(4) the previous set-aside was not limited to a specific person receiving services.

(c) Notwithstanding paragraph (b), clause (2), for an individual who is employed in the substance use disorder field, if the commissioner has previously set aside an individual's disqualification for one or more programs or agencies in the substance use disorder treatment field, and the individual is the subject of a subsequent background study for a different program or agency in the substance use disorder treatment field, the commissioner shall set aside the disqualification for the program or agency in the substance use disorder treatment field that initiated the subsequent background study when the criteria under paragraph (b), clauses (1), (3), and (4), are met and the individual is not disqualified for an offense specified in section 245C.15, subdivision 1. A notice of a set-aside under paragraph (d) shall be issued within 15 working days.

(d) When a disqualification is set aside under paragraph (b), the notice of background study results issued under section 245C.17, in addition to the requirements under section 245C.17, shall state that the disqualification is set aside for the program or agency that initiated the subsequent background study. The notice must inform the individual that the individual may request reconsideration of the disqualification under section 245C.21 on the basis that the information used to disqualify the individual is incorrect.

Sec. 12. Minnesota Statutes 2024, section 245D.02, subdivision 4a, is amended to read:

Subd. 4a. **Community residential setting.** "Community residential setting" means a residential program ~~as identified in section 245A.11, subdivision 8,~~ where residential supports and services identified in section 245D.03, subdivision 1, paragraph (c), clause (3), items (i) and (ii), are provided to adults, as defined in section 245A.02, subdivision 2, and the license holder is the owner, lessor, or tenant of the facility licensed according to this chapter, and the license holder does not reside in the facility.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 13. Minnesota Statutes 2024, section 245G.05, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive assessment.** A comprehensive assessment of the client's substance use disorder must be administered face-to-face by an alcohol and drug counselor within five calendar days from the day of service initiation for a residential program or by the end of the fifth day on which a treatment service is provided in a nonresidential program. The number of days to complete the comprehensive assessment excludes the day of service initiation. If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified staff member's dated signature. If the client previously received a comprehensive assessment ~~that authorized the treatment service~~, an alcohol and drug counselor may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. An alcohol and drug counselor must sign and date the comprehensive assessment review and update.

Sec. 14. Minnesota Statutes 2024, section 245G.06, subdivision 1, is amended to read:

Subdivision 1. **General.** Each client must have a person-centered individual treatment plan developed by an alcohol and drug counselor within ten days from the day of service initiation for a residential program, by the end of the tenth day on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program, not to exceed 30 days. Opioid treatment programs must complete the individual treatment plan within ~~21~~ 14 days from the day of service initiation. The number of days to complete the individual treatment plan excludes the day of service initiation. The individual treatment plan must be signed by the client and the alcohol and drug counselor and document the client's involvement in the development of the plan. The individual treatment plan is developed upon the qualified staff member's dated signature. Treatment planning must include ongoing assessment of client needs. An individual treatment plan must be updated based on new information gathered about the client's condition, the client's level of participation, and on whether methods identified have the intended effect. A change to the plan must be signed by the client and the alcohol and drug counselor. If the client chooses to have family or others involved in treatment services, the client's individual treatment plan must include how the family or others will be involved in the client's treatment. If a client is receiving treatment services or an assessment via telehealth and the alcohol and drug counselor documents the reason the client's signature cannot be obtained, the alcohol and drug counselor may document the client's verbal approval or electronic written approval of the treatment plan or change to the treatment plan in lieu of the client's signature.

Sec. 15. Minnesota Statutes 2024, section 245G.06, subdivision 2a, is amended to read:

Subd. 2a. **Documentation of treatment services.** The license holder must ensure that the staff member who provides the treatment service documents in the client record the date, type, and amount of each treatment service provided to a client and the client's response to each treatment service within seven days of providing the treatment service. In addition to the other requirements of this subdivision, if a guest speaker presents information during a treatment service, the alcohol and drug counselor who provided the service and is responsible for the information presented by the guest speaker must document the name of the guest speaker, date of service, time the presentation began, time the presentation ended, and a summary of the topic presentation.

Sec. 16. Minnesota Statutes 2024, section 245G.06, subdivision 3a, is amended to read:

Subd. 3a. **Frequency of treatment plan reviews.** (a) A license holder must ensure that the alcohol and drug counselor responsible for a client's treatment plan completes and documents a treatment plan review that meets the requirements of subdivision 3 in each client's file, according to the frequencies required in this subdivision. All ASAM levels referred to in this chapter are those described in section 254B.19, subdivision 1.

(b) For a client receiving residential ASAM level 3.3 or 3.5 high-intensity services or residential hospital-based services, a treatment plan review must be completed once every 14 days.

(c) For a client receiving residential ASAM level 3.1 low-intensity services or any other residential level not listed in paragraph (b), a treatment plan review must be completed once every 30 days.

(d) For a client receiving nonresidential ASAM level 2.5 partial hospitalization services, a treatment plan review must be completed once every 14 days.

(e) For a client receiving nonresidential ASAM level 1.0 outpatient or 2.1 intensive outpatient services or any other nonresidential level not included in paragraph (d), a treatment plan review must be completed once every 30 days.

(f) For a client receiving nonresidential opioid treatment program services according to section 245G.22, a treatment plan review must be completed:

(1) weekly for the ten weeks following completion of the treatment plan; and

(2) monthly thereafter.

Treatment plan reviews must be completed more frequently when clinical needs warrant.

(g) The ten-week time frame in paragraph (f), clause (1), may include a client's previous time at another opioid treatment program licensed in Minnesota under section 245G.22 if:

(1) the client was enrolled in the other opioid treatment program immediately prior to admission to the license holder's program;

(2) the client did not miss taking a daily dose of medication to treat an opioid use disorder; and

(3) the license holder obtains from the previous opioid treatment program the client's number of days in comprehensive treatment, discharge summary, amount of daily milligram dose of medication for opioid use disorder, and previous three drug abuse test results.

~~(g)~~ (h) Notwithstanding paragraphs (e) and (f), clause (2), for a client in a nonresidential program with a treatment plan that clearly indicates less than five hours of skilled treatment services will be provided to the client each month, a treatment plan review must be completed once every 90 days. Treatment plan reviews must be completed more frequently when clinical needs warrant.

Sec. 17. Minnesota Statutes 2024, section 245G.07, subdivision 2, is amended to read:

Subd. 2. **Additional treatment service.** A license holder may provide or arrange the following additional treatment service as a part of the client's individual treatment plan:

(1) relationship counseling provided by a qualified professional to help the client identify the impact of the client's substance use disorder on others and to help the client and persons in the client's support structure identify and change behaviors that contribute to the client's substance use disorder;

(2) therapeutic recreation to allow the client to participate in recreational activities without the use of mood-altering chemicals and to plan and select leisure activities that do not involve the inappropriate use of chemicals;

(3) stress management and physical well-being to help the client reach and maintain an appropriate level of health, physical fitness, and well-being;

(4) living skills development to help the client learn basic skills necessary for independent living;

(5) employment or educational services to help the client become financially independent;

(6) socialization skills development to help the client live and interact with others in a positive and productive manner;

(7) room, board, and supervision at the treatment site to provide the client with a safe and appropriate environment to gain and practice new skills; and

(8) peer recovery support services must be provided one-to-one and face-to-face, by a recovery peer ~~qualified~~ according to section 245I.04, subdivision 18. Peer recovery support services must be provided according to sections 254B.05, subdivision 5, and 254B.052, and may be provided through telehealth according to section 256B.0625, subdivision 3b.

Sec. 18. Minnesota Statutes 2024, section 245G.08, subdivision 6, is amended to read:

Subd. 6. **Control of drugs.** A license holder must have and implement written policies and procedures developed by a registered nurse that contain:

(1) a requirement that each drug must be stored in a locked compartment. A Schedule II drug, as defined by section 152.02, subdivision 3, must be stored in a separately locked compartment, permanently affixed to the physical plant or medication cart;

(2) a documentation system ~~which~~ that accounts for all ~~scheduled drugs each shift~~ schedule II to V drugs listed in section 152.02, subdivisions 3 to 6;

(3) a procedure for recording the client's use of medication, including the signature of the staff member who completed the administration of the medication with the time and date;

(4) a procedure to destroy a discontinued, outdated, or deteriorated medication;

(5) a statement that only authorized personnel are permitted access to the keys to a locked compartment;

(6) a statement that no legend drug supply for one client shall be given to another client; and

(7) a procedure for monitoring the available supply of an opiate antagonist as defined in section 604A.04, subdivision 1, on site and replenishing the supply when needed.

Sec. 19. Minnesota Statutes 2024, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** (a) Client records must contain the following:

(1) documentation that the client was given:

(i) information on client rights and responsibilities~~,~~ and grievance procedures~~,~~ on the day of service initiation;

(ii) information on tuberculosis~~,~~ and HIV~~, and that the client was provided~~ within 72 hours of service initiation;

(iii) an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4)~~. If the client has an opioid use disorder, the record must contain documentation that the client was provided~~, within 24 hours of admission or, for clients who would benefit from a later orientation, 72 hours; and

(iv) opioid educational ~~information~~ material according to section 245G.04, subdivision 3, on the day of service initiation;

(2) an initial services plan completed according to section 245G.04;

(3) a comprehensive assessment completed according to section 245G.05;

(4) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;

(5) an individual treatment plan according to section 245G.06, subdivisions 1 and 1a;

(6) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, 3, and 3a; and

(7) a summary at the time of service termination according to section 245G.06, subdivision 4.

(b) For a client that transfers to another of the license holder's licensed treatment locations, the license holder is not required to complete new documents or orientation for the client, except that the client must receive an orientation to the new location's grievance procedure, program abuse prevention plan, and maltreatment of minor and vulnerable adults reporting procedures.

Sec. 20. Minnesota Statutes 2024, section 245G.11, subdivision 11, is amended to read:

Subd. 11. **Individuals with temporary permit.** An individual with a temporary permit from the Board of Behavioral Health and Therapy may provide substance use disorder treatment ~~service~~ services and complete comprehensive assessments, individual treatment plans, treatment plan reviews, and service discharge summaries according to this subdivision if they meet the requirements of either paragraph (a) or (b).

(a) An individual with a temporary permit must be supervised by a licensed alcohol and drug counselor assigned by the license holder. The supervising licensed alcohol and drug counselor must document the amount and type of supervision provided at least on a weekly basis. The supervision must relate to the clinical practice.

(b) An individual with a temporary permit must be supervised by a clinical supervisor approved by the Board of Behavioral Health and Therapy. The supervision must be documented and meet the requirements of section 148F.04, subdivision 4.

Sec. 21. Minnesota Statutes 2024, section 245G.18, subdivision 2, is amended to read:

Subd. 2. **Alcohol and drug counselor qualifications.** In addition to the requirements specified in section 245G.11, subdivisions 1 and 5, an alcohol and drug counselor providing treatment service to an adolescent must have~~:~~

~~(1)~~ an additional 30 hours of training or classroom instruction or one three-credit semester college course in adolescent development. ~~This~~ The training, classroom instruction, or college course must be completed no later than six months after the counselor first provides treatment services to adolescents and need only be completed one time~~;~~

~~and~~. The training must be interactive and must not consist only of reading information. An alcohol and drug counselor who is also qualified as a mental health professional under section 245I.04, subdivision 2, is exempt from the requirement in this subdivision.

~~(2) at least 150 hours of supervised experience as an adolescent counselor, either as a student or as a staff member.~~

Sec. 22. Minnesota Statutes 2024, section 245G.19, subdivision 4, is amended to read:

Subd. 4. **Additional licensing requirements.** During the times the license holder is responsible for the supervision of a child, except for license holders described in subdivision 5, the license holder must meet the following standards:

(1) child and adult ratios in Minnesota Rules, part 9502.0367;

(2) day care training in section 142B.70;

(3) behavior guidance in Minnesota Rules, part 9502.0395;

(4) activities and equipment in Minnesota Rules, part 9502.0415;

(5) physical environment in Minnesota Rules, part 9502.0425;

(6) physical space requirements in section 142B.72; and

(7) water, food, and nutrition in Minnesota Rules, part 9502.0445, unless the license holder has a license from the Department of Health.

Sec. 23. Minnesota Statutes 2024, section 245G.19, is amended by adding a subdivision to read:

Subd. 5. **Child care license exemption.** (a) License holders that only provide supervision of children for less than three hours a day while the child's parent is in the same building or contiguous building as allowed by the exclusion from licensure in section 245A.03, subdivision 2, paragraph (a), clause (6), are exempt from the requirements of subdivision 4 if the requirements of this subdivision are met.

(b) During the times the license holder is responsible for the supervision of the child, there must always be a staff member present who is responsible for supervising the child who is trained in cardiopulmonary resuscitation (CPR) and first aid. This staff person must be able to immediately contact the child's parent at all times.

Sec. 24. Minnesota Statutes 2024, section 245G.22, subdivision 1, is amended to read:

Subdivision 1. **Additional requirements.** (a) An opioid treatment program licensed under this chapter must also: (1) comply with the requirements of this section and Code of Federal Regulations, title 42, part 8; (2) be registered as a narcotic treatment program with the Drug Enforcement Administration; (3) be accredited through an accreditation body approved by the Division of Pharmacologic Therapy of the Center for Substance Abuse Treatment; (4) be certified through the Division of Pharmacologic Therapy of the Center for Substance Abuse Treatment; and (5) hold a license from the Minnesota Board of Pharmacy or ~~equivalent agency~~ meet the requirements for dispensing by a practitioner in section 151.37, subdivision 2, and Minnesota Rules, parts 6800.9950 to 6800.9954.

(b) A license holder operating under the dispensing by practitioner requirements in section 151.37, subdivision 2, and Minnesota Rules, parts 6800.9950 to 6800.9954, must maintain documentation that the practitioner responsible for complying with the above statute and rules has signed a statement attesting that they are the practitioner responsible for complying with the applicable statutes and rules. If more than one person is responsible for compliance, all practitioners must sign a statement.

~~(b)~~ (c) Where a standard in this section differs from a standard in an otherwise applicable administrative rule or statute, the standard of this section applies.

Sec. 25. Minnesota Statutes 2024, section 245G.22, subdivision 14, is amended to read:

Subd. 14. **Central registry.** ~~(a)~~ A license holder must comply with requirements to submit information and necessary consents to the state central registry for each client admitted, as specified by the commissioner. The license holder must submit data concerning medication used for the treatment of opioid use disorder. The data must be submitted in a method determined by the commissioner and the original information must be kept in the client's record. The information must be submitted for each client at admission and discharge. The program must document the date the information was submitted. The client's failure to provide the information shall prohibit participation in an opioid treatment program. The information submitted must include the client's:

(1) full name and all aliases;

(2) date of admission;

(3) date of birth;

(4) Social Security number or Alien Registration Number, if any; and

(5) current or previous enrollment status in another opioid treatment program~~;~~.

~~(6) government-issued photo identification card number; and~~

~~(7) driver's license number, if any.~~

~~(b) The requirements in paragraph (a) are effective upon the commissioner's implementation of changes to the drug and alcohol abuse normative evaluation system or development of an electronic system by which to submit the data.~~

Sec. 26. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 1, paragraph (a), clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) The ten-week time frame may include a client's previous time at another opioid treatment program licensed in Minnesota under this section if:

(1) the client was enrolled in the other opioid treatment program immediately prior to admission to the license holder's program;

(2) the client did not miss taking a daily dose of medication to treat an opioid use disorder; and

(3) the license holder obtains from the previous opioid treatment program the client's number of days in comprehensive maintenance treatment, discharge summary, amount of daily milligram dose of medication for opioid use disorder, and previous three drug abuse test results.

~~(b)~~ (c) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

Sec. 27. Minnesota Statutes 2024, section 256.98, subdivision 1, is amended to read:

Subdivision 1. **Wrongfully obtaining assistance.** (a) A person who commits any of the following acts or omissions with intent to defeat the purposes of sections 145.891 to 145.897, the MFIP program formerly codified in sections 256.031 to 256.0361, the AFDC program formerly codified in sections 256.72 to 256.871, chapter 142G, 256B, 256D, 256I, 256K, or 256L, child care assistance programs, and emergency assistance programs under section 256D.06, is guilty of theft and shall be sentenced under section 609.52, subdivision 3, clauses (1) to (5):

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of any material fact, or by impersonation or other fraudulent device, assistance or the continued receipt of assistance, to include child care assistance or food benefits produced according to sections 145.891 to 145.897 and MinnesotaCare services according to sections 256.9365, 256.94, and 256L.01 to 256L.15, to which the person is not entitled or assistance greater than that to which the person is entitled;

(2) knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the county agency; or

(3) obtains or attempts to obtain, alone or in collusion with others, the receipt of payments to which the individual is not entitled as a provider of subsidized child care~~, or;~~ by ~~furnishing or concurring in~~ offering, providing, soliciting, or receiving illegal remuneration as described in section 142E.51, subdivision 6a, or in violation of section 609.542, subdivision 2; or by submitting or aiding and abetting the submission of a willfully false claim for child care assistance.

(b) The continued receipt of assistance to which the person is not entitled or greater than that to which the person is entitled as a result of any of the acts, failure to act, or concealment described in this subdivision shall be deemed to be continuing offenses from the date that the first act or failure to act occurred.

Sec. 28. Minnesota Statutes 2024, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following:

(1) fraud, theft, or abuse in connection with the provision of goods and services to recipients of public assistance for which payment is made from medical assistance;

(2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary;

(3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the individual or entity is legally entitled;

(4) suspension or termination as a Medicare vendor;

(5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients and appropriateness of claims for payment;

(6) failure to repay an overpayment or a fine finally established under this section;

(7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; and

(8) any reason for which an individual or entity could be excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act.

(b) For the purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(c) Regardless of the source of payment or other item of value, the commissioner may impose sanctions against any individual or entity that solicits, receives, pays, or offers to pay any illegal remuneration as described in section 142E.51, subdivision 6a, in violation of section 609.542, subdivision 2, or in violation of United States Code, title 42, section 1320a-7b(b)(1) or (2). No conviction is required before the commissioner can impose sanctions under this paragraph.

~~(b)~~ (d) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

Sec. 29. Minnesota Statutes 2024, section 256B.092, subdivision 11, is amended to read:

Subd. 11. **Residential support services.** (a) Upon federal approval, there is established a new service called residential support that is available on the community alternative care, community access for disability inclusion, developmental disabilities, and brain injury waivers. Existing waiver service descriptions must be modified to the extent necessary to ensure there is no duplication between other services. Residential support services must be provided by vendors licensed as a community residential setting ~~as defined in section 245A.11, subdivision 8~~, a foster care setting licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or an adult foster care setting licensed under Minnesota Rules, parts 9555.5105 to 9555.6265.

(b) Residential support services must meet the following criteria:

(1) the residential site must have a designated person responsible for program management, oversight, development, and implementation of policies and procedures;

(2) the provider of residential support services must provide supervision, training, and assistance as described in the person's support plan; and

(3) the provider of residential support services must meet the requirements of licensure and additional requirements of the person's support plan.

(c) Providers of residential support services that meet the definition in paragraph (a) must be licensed according to chapter 245D. Providers licensed to provide child foster care under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, and that meet the requirements in section 245A.03, subdivision 7, paragraph (f), are considered registered under this section.

Sec. 30. Minnesota Statutes 2024, section 256B.12, is amended to read:

256B.12 LEGAL REPRESENTATION.

The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of the appropriate county shall be the attorney for the ~~local~~ county agency in all matters pertaining hereto. To prosecute under this chapter or sections 609.466 ~~and~~; 609.52, subdivision 2~~,~~; and 609.542 or to recover payments wrongfully made under this chapter, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general may institute a criminal or civil action.

Sec. 31. Minnesota Statutes 2024, section 256I.04, subdivision 2c, is amended to read:

Subd. 2c. **Background study requirements.** (a) ~~Effective July 1, 2016,~~ A provider of housing support must initiate background studies in accordance with ~~chapter 245C of the following individuals:~~ section 245C.03, subdivision 10.

~~(1) controlling individuals as defined in section 245A.02;~~

~~(2) managerial officials as defined in section 245A.02; and~~

~~(3) all employees and volunteers of the establishment who have direct contact with recipients, or who have unsupervised access to recipients, their personal property, or their private data.~~

(b) ~~The provider of housing support must maintain compliance with all requirements established for entities initiating background studies under chapter 245C~~ A provider initiating a background study pursuant to chapter 245C is not required to initiate a background study in accordance with sections 299C.66 to 299C.71 or chapter 364.

~~(c) Effective July 1, 2017, a provider of housing support must demonstrate that all individuals required to have a background study according to paragraph (a) have a notice stating either that:~~

~~(1) the individual is not disqualified under section 245C.14; or~~

~~(2) the individual is disqualified, but the individual has been issued a set-aside of the disqualification for that setting under section 245C.22.~~

Sec. 32. **[609.542] ILLEGAL REMUNERATIONS.**

Subdivision 1. **Definition.** For purposes of this section, "federal health care program" has the meaning given in United States Code, title 42, section 1320a-7b(f).

Subd. 2. **Human services program; unauthorized remuneration.** (a) A person who intentionally solicits or receives money, a discount, a credit, a waiver, a rebate, a good, a service, employment, or anything else of value in return for doing any of the following is guilty of a crime and may be sentenced as provided in subdivision 4:

(1) referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a federal health care program, behavioral health program under chapter 254B, or program under chapter 142E;

(2) purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part under a federal health care program, behavioral health program under chapter 254B, or program under chapter 142E; or

(3) applying for or receiving any item or service for which payment may be made in whole or in part under a federal health care program, behavioral health program under chapter 254B, or program under chapter 142E.

(b) A person who intentionally offers or provides money, a discount, a credit, a waiver, a rebate, a good, a service, employment, or anything else of value to induce a person to do any of the following is guilty of a crime and may be sentenced as provided in subdivision 4:

(1) refer an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a federal health care program, behavioral health program under chapter 254B, or program under chapter 142E;

(2) purchase, lease, order, or arrange for or recommend purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part under a federal health care program, behavioral health program under chapter 254B, or program under chapter 142E; or

(3) apply for or receive any item or service for which payment may be made in whole or in part under a federal health care program, behavioral health program under chapter 254B, or program under chapter 142E.

Subd. 3. **Exceptions.** (a) Subdivision 2 does not apply to any payment, discount, waiver, or other remuneration exempted under United States Code, title 42, section 1320a-7b(b)(3), or payment made under a federal health care program that is exempt from liability by United States Code, title 42, section 1001.952.

(b) For actions involving a program under chapter 142E, subdivision 2 does not apply to:

(1) any amount paid by an employer to a bona fide employee for providing covered items or services under chapter 142E while acting in the course and scope of employment; or

(2) child care provider discounts, scholarships, or other financial assistance to families allowed under section 142E.17, subdivision 7.

Subd. 4. **Penalties.** An individual who violates subdivision 2 may be sentenced as follows:

(1) imprisonment of not more than 20 years or payment of a fine of not more than $100,000, or both, if the value of any money, discount, credit, waiver, rebate, good, service, employment, or other thing of value solicited, received, offered, or provided exceeds $35,000;

(2) imprisonment of not more than ten years or payment of a fine of not more than $20,000, or both, if the value of any money, discount, credit, waiver, rebate, good, service, employment, or other item of value solicited, received, offered, or provided is more than $5,000 but not more than $35,000; or

(3) imprisonment for not more than five years or payment of a fine of not more than $10,000, or both, if the value of any money, discount, credit, waiver, rebate, good, service, employment, or other item of value solicited, received, offered, or provided is not more than $5,000.

Subd. 5. **Aggregation.** In a prosecution under this section, the value of any money, discount, credit, waiver, rebate, good, service, employment, or other item of value solicited, received, offered, or provided within a six-month period may be aggregated and the defendant charged accordingly. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

Subd. 6. **False claims.** In addition to the penalties provided in this section, a claim, as defined in section 15C.01, subdivision 2, that includes items or services resulting from a violation of this section constitutes a false or fraudulent claim for purposes of section 15C.02.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 33. Laws 2023, chapter 70, article 7, section 34, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~for background studies requested on or after August 1, 2024~~ the day following final enactment.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2024, section 245A.11, subdivision 8, is repealed.

(b) Minnesota Statutes 2024, section 245A.042, subdivisions 2, 3, and 4, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2025.

ARTICLE 6
ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL TREATMENT SERVICES RECODIFICATION

Section 1. Minnesota Statutes 2024, section 256B.0622, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) Subject to federal approval, medical assistance covers medically necessary, assertive community treatment when the services are provided by an entity certified under and meeting the standards in this section.

~~(b) Subject to federal approval, medical assistance covers medically necessary, intensive residential treatment services when the services are provided by an entity licensed under and meeting the standards in section 245I.23.~~

~~(c)~~ (b) The provider entity must make reasonable and good faith efforts to report individual client outcomes to the commissioner, using instruments and protocols approved by the commissioner.

Sec. 2. Minnesota Statutes 2024, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. **Medical assistance payment for assertive community treatment ~~and intensive residential treatment~~ services.** (a) Payment for ~~intensive residential treatment services and~~ assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (d), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) ~~Payment must not be made based solely on a court order to participate in intensive residential treatment services. If a client has a court order to participate in the program or to obtain assessment for treatment and follow treatment recommendations,~~ payment under this section must only be provided if the client is eligible for the service and the service is determined to be medically necessary.

(d) The commissioner shall determine ~~one rate for each provider that will bill medical assistance for residential services under this section and~~ one rate for each assertive community treatment provider under this section. If a single entity provides both ~~services~~ intensive residential treatment services under section 256B.0632 and assertive community treatment under this section, one rate is established for the entity's intensive residential treatment services under section 256B.0632 and another rate for the entity's ~~nonresidential~~ assertive community treatment services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual ~~cost is~~ costs are defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget ~~Circular Number A-122~~ Uniform Guidance under Code of Federal Regulations, title 2, section 200, relating to nonprofit entities;

(3) the number of service units;

(4) the degree to which clients will receive services other than services under this section or section 256B.0632; and

(5) the costs of other services that will be separately reimbursed.

(e) The rate for ~~intensive residential treatment services and~~ assertive community treatment must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

~~(f) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.~~

~~(g)~~ (f) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

~~(h)~~ (g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

~~(i)~~ (h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (d). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (d).

~~(j)~~ (i) Effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment, adult residential crisis stabilization services, and intensive residential treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. This paragraph expires upon federal approval.

(j) Effective upon the expiration of paragraph (i), and effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

(k) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(l) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 3. Minnesota Statutes 2024, section 256B.0622, subdivision 11, is amended to read:

Subd. 11. **Sustainability grants.** The commissioner may disburse grant funds directly to ~~intensive residential treatment services providers and~~ assertive community treatment providers to maintain access to these services.

Sec. 4. Minnesota Statutes 2024, section 256B.0622, subdivision 12, is amended to read:

Subd. 12. **Start-up grants.** The commissioner may, within available appropriations, disburse grant funding to counties, Indian tribes, or mental health service providers to establish additional assertive community treatment teams~~, intensive residential treatment services, or crisis residential services~~.

Sec. 5. **[256B.0632] INTENSIVE RESIDENTIAL TREATMENT SERVICES.**

Subdivision 1. **Scope.** (a) Subject to federal approval, medical assistance covers medically necessary, intensive residential treatment services when the services are provided by an entity licensed under and meeting the standards in section 245I.23.

(b) The provider entity must make reasonable and good faith efforts to report individual client outcomes to the commissioner, using instruments and protocols approved by the commissioner.

Subd. 2. **Provider entity licensure and contract requirements for intensive residential treatment services.** (a) The commissioner shall develop procedures for counties and providers to submit other documentation as needed to allow the commissioner to determine whether the standards in this section are met.

(b) A provider entity must specify in the provider entity's application what geographic area and populations will be served by the proposed program. A provider entity must document that the capacity or program specialties of existing programs are not sufficient to meet the service needs of the target population. A provider entity must submit evidence of ongoing relationships with other providers and levels of care to facilitate referrals to and from the proposed program.

(c) A provider entity must submit documentation that the provider entity requested a statement of need from each county board and Tribal authority that serves as a local mental health authority in the proposed service area. The statement of need must specify if the local mental health authority supports or does not support the need for the proposed program and the basis for this determination. If a local mental health authority does not respond within 60 days of the receipt of the request, the commissioner shall determine the need for the program based on the documentation submitted by the provider entity.

Subd. 3. **Medical assistance payment for intensive residential treatment services.** (a) Payment for intensive residential treatment services in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (d), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) Payment must not be made based solely on a court order to participate in intensive residential treatment services. If a client has a court order to participate in the program or to obtain assessment for treatment and follow treatment recommendations, payment under this section must only be provided if the client is eligible for the service and the service is determined to be medically necessary.

(d) The commissioner shall determine one rate for each provider that will bill medical assistance for intensive residential treatment services under this section. If a single entity provides both intensive residential treatment services under this section and assertive community treatment under section 256B.0622, one rate is established for the entity's intensive residential treatment services under this section and another rate for the entity's assertive community treatment services under section 256B.0622. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space; and

(iv) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual costs are defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Uniform Guidance under Code of Federal Regulations, title 2, section 200, relating to nonprofit entities;

(3) the number of services units;

(4) the degree to which clients will receive services other than services under this section or section 256B.0622; and

(5) the costs of other services that will be separately reimbursed.

(e) The rate for intensive residential treatment services must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(f) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (d). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (d).

(i) Effective upon the expiration of section 256B.0622, subdivision 8, paragraph (h), and effective for rate years beginning on and after January 1, 2024, rates for intensive residential treatment services and adult residential crisis stabilization services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

(j) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(k) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Subd. 4. **Provider enrollment; rate setting for county-operated entities.** Counties that employ their own staff to provide services under this section shall apply directly to the commissioner for enrollment and rate setting. In this case, a county contract is not required.

Subd. 5. **Provider enrollment; rate setting for specialized program.** A county contract is not required for a provider proposing to serve a subpopulation of eligible clients under the following circumstances:

(1) the provider demonstrates that the subpopulation to be served requires a specialized program which is not available from county-approved entities; and

(2) the subpopulation to be served is of such a low incidence that it is not feasible to develop a program serving a single county or regional group of counties.

Subd. 6. **Sustainability grants.** The commissioner may disburse grant funds directly to intensive residential treatment services providers to maintain access to these services.

Subd. 7. **Start-up grants.** The commissioner may, within available appropriations, disburse grant funding to counties, Indian Tribes, or mental health service providers to establish additional intensive residential treatment services and residential crisis services.

Sec. 6. **REPEALER.**

Minnesota Statutes 2024, section 256B.0622, subdivision 4, is repealed.

ARTICLE 7
ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL TREATMENT SERVICES RECODIFICATION CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 148F.11, subdivision 1, is amended to read:

Subdivision 1. **Other professionals.** (a) Nothing in this chapter prevents members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes, but is not limited to: licensed physicians; registered nurses; licensed practical nurses; licensed psychologists and licensed psychological practitioners; members of the clergy provided such services are provided within the scope of regular ministries; American Indian medicine men and women; licensed attorneys; probation officers; licensed marriage and family therapists; licensed social workers; social workers employed by city, county, or state agencies; licensed professional counselors; licensed professional clinical counselors; licensed school counselors; registered occupational therapists or occupational therapy assistants; Upper Midwest Indian Council on Addictive Disorders (UMICAD) certified counselors when providing services to Native American people; city, county, or state employees when providing assessments or case management under Minnesota Rules, chapter 9530; and staff persons providing co-occurring substance use disorder treatment in adult mental health rehabilitative programs certified or licensed by the Department of Human Services under section 245I.23, 256B.0622, ~~or~~ 256B.0623, or 256B.0632.

(b) Nothing in this chapter prohibits technicians and resident managers in programs licensed by the Department of Human Services from discharging their duties as provided in Minnesota Rules, chapter 9530.

(c) Any person who is exempt from licensure under this section must not use a title incorporating the words "alcohol and drug counselor" or "licensed alcohol and drug counselor" or otherwise hold himself or herself out to the public by any title or description stating or implying that he or she is engaged in the practice of alcohol and drug counseling, or that he or she is licensed to engage in the practice of alcohol and drug counseling, unless that person is also licensed as an alcohol and drug counselor. Persons engaged in the practice of alcohol and drug counseling are not exempt from the board's jurisdiction solely by the use of one of the titles in paragraph (a).

Sec. 2. Minnesota Statutes 2024, section 245.4662, subdivision 1, is amended to read:

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

(b) "Community partnership" means a project involving the collaboration of two or more eligible applicants.

(c) "Eligible applicant" means an eligible county, Indian tribe, mental health service provider, hospital, or community partnership. Eligible applicant does not include a state-operated direct care and treatment facility or program under chapters 246 and 246C.

(d) "Intensive residential treatment services" has the meaning given in section ~~256B.0622~~ 256B.0632.

(e) "Metropolitan area" means the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 245.4906, subdivision 2, is amended to read:

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider that employs a mental health certified peer specialist qualified under section 245I.04, subdivision 10, and that provides services to individuals receiving assertive community treatment ~~or intensive residential treatment services~~ under section 256B.0622, intensive residential treatment services under section 256B.0632, adult rehabilitative mental health services under section 256B.0623, or crisis response services under section 256B.0624.

Sec. 4. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), any person enrolled in medical assistance or MinnesotaCare is eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (9).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 142G;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

(i) Persons enrolled in MinnesotaCare are eligible for room and board services when provided through intensive residential treatment services and residential crisis services under section ~~256B.0622~~ 256B.0632.

Sec. 5. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site whenever a client is present;

(8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);

(9) has emergency behavioral procedures that meet the requirements of section 245G.16;

(10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;

(11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

(12) documents coordination with the treatment provider to ensure compliance with section 254B.03, subdivision 2;

(13) protects client funds and ensures freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;

(14) has a grievance procedure that meets the requirements of section 245G.15, subdivision 2; and

(15) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.

(b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).

(c) Programs providing children's mental health crisis admissions and stabilization under section 245.4882, subdivision 6, are eligible vendors of room and board.

(d) Programs providing children's residential services under section 245.4882, except services for individuals who have a placement under chapter 260C or 260D, are eligible vendors of room and board.

(e) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section ~~256B.0622 or~~ 256B.0624 or 256B.0632 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

(f) A vendor that is not licensed as a residential treatment program must have a policy to address staffing coverage when a client may unexpectedly need to be present at the room and board site.

Sec. 6. Minnesota Statutes 2024, section 256.478, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** An individual is eligible for the transition to community initiative if the individual can demonstrate that current services are not capable of meeting individual treatment and service needs that can be met in the community with support, and the individual meets at least one of the following criteria:

(1) the person meets the criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(2) the person has met treatment objectives and no longer requires a hospital-level care, residential-level care, or a secure treatment setting, but the person's discharge from the Anoka Metro Regional Treatment Center, the Minnesota Forensic Mental Health Program, the Child and Adolescent Behavioral Health Hospital program, a psychiatric residential treatment facility under section 256B.0941, intensive residential treatment services under section ~~256B.0622~~ 256B.0632, children's residential services under section 245.4882, juvenile detention facility, county supervised building, or a hospital would be substantially delayed without additional resources available through the transitions to community initiative;

(3) the person (i) is receiving customized living services reimbursed under section 256B.4914, 24-hour customized living services reimbursed under section 256B.4914, or community residential services reimbursed under section 256B.4914; (ii) expresses a desire to move; and (iii) has received approval from the commissioner; or

(4) the person can demonstrate that the person's needs are beyond the scope of current service designs and grant funding can support the inclusion of additional supports for the person to access appropriate treatment and services in the least restrictive environment.

Sec. 7. Minnesota Statutes 2024, section 256B.0615, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified peer specialist services, as established in subdivision 2, if provided to recipients who are eligible for services under sections 256B.0622, 256B.0623, ~~and~~ 256B.0624, and 256B.0632 and are provided by a mental health certified peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 10.

Sec. 8. Minnesota Statutes 2024, section 256B.0615, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** Peer support services may be made available to consumers of (1) intensive residential treatment services under section ~~256B.0622~~ 256B.0632; (2) adult rehabilitative mental health services under section 256B.0623; and (3) crisis stabilization and mental health mobile crisis intervention services under section 256B.0624.

Sec. 9. Minnesota Statutes 2024, section 256B.82, is amended to read:

256B.82 PREPAID PLANS AND MENTAL HEALTH REHABILITATIVE SERVICES.

Medical assistance and MinnesotaCare prepaid health plans may include coverage for adult mental health rehabilitative services under section 256B.0623, intensive rehabilitative services under section ~~256B.0622~~ 256B.0632, and adult mental health crisis response services under section 256B.0624, beginning January 1, 2005.

By January 15, 2004, the commissioner shall report to the legislature how these services should be included in prepaid plans. The commissioner shall consult with mental health advocates, health plans, and counties in developing this report. The report recommendations must include a plan to ensure coordination of these services between health plans and counties, assure recipient access to essential community providers, and monitor the health plans' delivery of services through utilization review and quality standards.

Sec. 10. Minnesota Statutes 2024, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** (a) In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a setting authorized to receive housing support payments under chapter 256I.

(b) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician, advanced practice registered nurse, or physician assistant. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

(1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

(2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;

(3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;

(4) low cholesterol diet, 25 percent of thrifty food plan;

(5) high residue diet, 20 percent of thrifty food plan;

(6) pregnancy and lactation diet, 35 percent of thrifty food plan;

(7) gluten-free diet, 25 percent of thrifty food plan;

(8) lactose-free diet, 25 percent of thrifty food plan;

(9) antidumping diet, 15 percent of thrifty food plan;

(10) hypoglycemic diet, 15 percent of thrifty food plan; or

(11) ketogenic diet, 25 percent of thrifty food plan.

(c) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as other funding sources are not available.

(d) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit's gross monthly income up to a maximum of $100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(e) The county agency shall continue to pay a monthly allowance of $68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(f) A fee equal to the maximum monthly amount allowed by the Social Security Administration is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(g)(1) Notwithstanding the language in this subdivision, an amount equal to one-half of the maximum federal Supplemental Security Income payment amount for a single individual which is in effect on the first day of July of each year will be added to the standards of assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as in need of housing assistance and are:

(i) relocating from an institution, a setting authorized to receive housing support under chapter 256I, or an adult mental health residential treatment program under section ~~256B.0622~~ 256B.0632;

(ii) eligible for personal care assistance under section 256B.0659; or

(iii) home and community-based waiver recipients living in their own home or rented or leased apartment.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Housing assistance" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered in need of housing assistance for purposes of this paragraph.

ARTICLE 8
CHILDREN'S MENTAL HEALTH TERMINOLOGY

Section 1. Minnesota Statutes 2024, section 62Q.527, subdivision 1, is amended to read:

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

~~(b) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.~~

~~(c)~~ (b) "Mental illness" has the meaning given in ~~section~~ sections 245.462, subdivision 20, paragraph (a), and 245.4871, subdivision 15.

~~(d)~~ (c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages described in section 62A.011, subdivision 3, clauses (7) and (10).

Sec. 2. Minnesota Statutes 2024, section 62Q.527, subdivision 2, is amended to read:

Subd. 2. **Required coverage for antipsychotic drugs.** (a) A health plan that provides prescription drug coverage must provide coverage for an antipsychotic drug prescribed to treat ~~emotional disturbance or~~ mental illness regardless of whether the drug is in the health plan's drug formulary, if the health care provider prescribing the drug:

(1) indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

(2) certifies in writing to the health plan company that the health care provider has considered all equivalent drugs in the health plan's drug formulary and has determined that the drug prescribed will best treat the patient's condition.

(b) The health plan is not required to provide coverage for a drug if the drug was removed from the health plan's drug formulary for safety reasons.

(c) For drugs covered under this section, no health plan company that has received a certification from the health care provider as described in paragraph (a) may:

(1) impose a special deductible, co-payment, coinsurance, or other special payment requirement that the health plan does not apply to drugs that are in the health plan's drug formulary; or

(2) require written certification from the prescribing provider each time a prescription is refilled or renewed that the drug prescribed will best treat the patient's condition.

Sec. 3. Minnesota Statutes 2024, section 62Q.527, subdivision 3, is amended to read:

Subd. 3. **Continuing care.** (a) Enrollees receiving a prescribed drug to treat a diagnosed mental illness ~~or emotional disturbance~~ may continue to receive the prescribed drug for up to one year without the imposition of a special deductible, co-payment, coinsurance, or other special payment requirements, when a health plan's drug formulary changes or an enrollee changes health plans and the medication has been shown to effectively treat the patient's condition. In order to be eligible for this continuing care benefit:

(1) the patient must have been treated with the drug for 90 days prior to a change in a health plan's drug formulary or a change in the enrollee's health plan;

(2) the health care provider prescribing the drug indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

(3) the health care provider prescribing the drug certifies in writing to the health plan company that the drug prescribed will best treat the patient's condition.

(b) The continuing care benefit shall be extended annually when the health care provider prescribing the drug:

(1) indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

(2) certifies in writing to the health plan company that the drug prescribed will best treat the patient's condition.

(c) The health plan company is not required to provide coverage for a drug if the drug was removed from the health plan's drug formulary for safety reasons.

Sec. 4. Minnesota Statutes 2024, section 121A.61, subdivision 3, is amended to read:

Subd. 3. **Policy components.** The policy must include at least the following components:

(a) rules governing student conduct and procedures for informing students of the rules;

(b) the grounds for removal of a student from a class;

(c) the authority of the classroom teacher to remove students from the classroom pursuant to procedures and rules established in the district's policy;

(d) the procedures for removal of a student from a class by a teacher, school administrator, or other school district employee;

(e) the period of time for which a student may be removed from a class, which may not exceed five class periods for a violation of a rule of conduct;

(f) provisions relating to the responsibility for and custody of a student removed from a class;

(g) the procedures for return of a student to the specified class from which the student has been removed;

(h) the procedures for notifying a student and the student's parents or guardian of violations of the rules of conduct and of resulting disciplinary actions;

(i) any procedures determined appropriate for encouraging early involvement of parents or guardians in attempts to improve a student's behavior;

(j) any procedures determined appropriate for encouraging early detection of behavioral problems;

(k) any procedures determined appropriate for referring a student in need of special education services to those services;

(l) any procedures determined appropriate for ensuring victims of bullying who respond with behavior not allowed under the school's behavior policies have access to a remedial response, consistent with section 121A.031;

(m) the procedures for consideration of whether there is a need for a further assessment or of whether there is a need for a review of the adequacy of a current individualized education program of a student with a disability who is removed from class;

(n) procedures for detecting and addressing chemical abuse problems of a student while on the school premises;

(o) the minimum consequences for violations of the code of conduct;

(p) procedures for immediate and appropriate interventions tied to violations of the code;

(q) a provision that states that a teacher, school employee, school bus driver, or other agent of a district may use reasonable force in compliance with section 121A.582 and other laws;

(r) an agreement regarding procedures to coordinate crisis services to the extent funds are available with the county board responsible for implementing sections 245.487 to 245.4889 for students with a serious ~~emotional disturbance~~ mental illness or other students who have an individualized education program whose behavior may be addressed by crisis intervention;

(s) a provision that states a student must be removed from class immediately if the student engages in assault or violent behavior. For purposes of this paragraph, "assault" has the meaning given it in section 609.02, subdivision 10. The removal shall be for a period of time deemed appropriate by the principal, in consultation with the teacher;

(t) a prohibition on the use of exclusionary practices for early learners as defined in section 121A.425; and

(u) a prohibition on the use of exclusionary practices to address attendance and truancy issues.

Sec. 5. Minnesota Statutes 2024, section 128C.02, subdivision 5, is amended to read:

Subd. 5. **Rules for open enrollees.** (a) The league shall adopt league rules and regulations governing the athletic participation of pupils attending school in a nonresident district under section 124D.03.

(b) Notwithstanding other law or league rule or regulation to the contrary, when a student enrolls in or is readmitted to a recovery-focused high school after successfully completing a licensed program for treatment of alcohol or substance abuse~~,~~ or mental illness, ~~or emotional disturbance,~~ the student is immediately eligible to participate on the same basis as other district students in the league-sponsored activities of the student's resident school district. Nothing in this paragraph prohibits the league or school district from enforcing a league or district penalty resulting from the student violating a league or district rule.

(c) The league shall adopt league rules making a student with an individualized education program who transfers from one public school to another public school as a reasonable accommodation to reduce barriers to educational access immediately eligible to participate in league-sponsored varsity competition on the same basis as other

students in the school to which the student transfers. The league also must establish guidelines, consistent with this paragraph, for reviewing the 504 plan of a student who transfers between public schools to determine whether the student is immediately eligible to participate in league-sponsored varsity competition on the same basis as other students in the school to which the student transfers.

Sec. 6. Minnesota Statutes 2024, section 142G.02, subdivision 56, is amended to read:

Subd. 56. **Learning disabled.** "Learning disabled," for purposes of an extension to the 60-month time limit under section 142G.42, subdivision 4, clause (3), means the person has a disorder in one or more of the psychological processes involved in perceiving, understanding, or using concepts through verbal language or nonverbal means. Learning disabled does not include learning problems that are primarily the result of visual, hearing, or motor disabilities; developmental disability; ~~emotional disturbance;~~ or mental illness or due to environmental, cultural, or economic disadvantage.

Sec. 7. Minnesota Statutes 2024, section 142G.27, subdivision 4, is amended to read:

Subd. 4. **Good cause exemptions for not attending orientation.** (a) The county agency shall not impose the sanction under section 142G.70 if it determines that the participant has good cause for failing to attend orientation. Good cause exists when:

(1) appropriate child care is not available;

(2) the participant is ill or injured;

(3) a family member is ill and needs care by the participant that prevents the participant from attending orientation. For a caregiver with a child or adult in the household who meets the disability or medical criteria for home care services under section 256B.0659, or a home and community-based waiver services program under chapter 256B, or meets the criteria for ~~severe emotional disturbance~~ serious mental illness under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c), good cause also exists when an interruption in the provision of those services occurs which prevents the participant from attending orientation;

(4) the caregiver is unable to secure necessary transportation;

(5) the caregiver is in an emergency situation that prevents orientation attendance;

(6) the orientation conflicts with the caregiver's work, training, or school schedule; or

(7) the caregiver documents other verifiable impediments to orientation attendance beyond the caregiver's control.

(b) Counties must work with clients to provide child care and transportation necessary to ensure a caregiver has every opportunity to attend orientation.

Sec. 8. Minnesota Statutes 2024, section 142G.42, subdivision 3, is amended to read:

Subd. 3. **Ill or incapacitated.** (a) An assistance unit subject to the time limit in section 142G.40, subdivision 1, is eligible to receive months of assistance under a hardship extension if the participant who reached the time limit belongs to any of the following groups:

(1) participants who are suffering from an illness, injury, or incapacity which has been certified by a qualified professional when the illness, injury, or incapacity is expected to continue for more than 30 days and severely limits the person's ability to obtain or maintain suitable employment. These participants must follow the treatment recommendations of the qualified professional certifying the illness, injury, or incapacity;

(2) participants whose presence in the home is required as a caregiver because of the illness, injury, or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household when the illness or incapacity and the need for a person to provide assistance in the home has been certified by a qualified professional and is expected to continue for more than 30 days; or

(3) caregivers with a child or an adult in the household who meets the disability or medical criteria for home care services under section 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services program under chapter 256B, or meets the criteria for ~~severe emotional disturbance~~ serious mental illness under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c). Caregivers in this category are presumed to be prevented from obtaining or maintaining suitable employment.

(b) An assistance unit receiving assistance under a hardship extension under this subdivision may continue to receive assistance as long as the participant meets the criteria in paragraph (a), clause (1), (2), or (3).

Sec. 9. Minnesota Statutes 2024, section 245.462, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in section 245.4711.

(b) A case manager must:

(1) be skilled in the process of identifying and assessing a wide range of client needs;

(2) be knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have a bachelor's degree in one of the behavioral sciences or related fields including, but not limited to, social work, psychology, or nursing from an accredited college or university. A case manager who is not a mental health practitioner and who does not have a bachelor's degree in one of the behavioral sciences or related fields must meet the requirements of paragraph (c); and

(4) meet the supervision and continuing education requirements described in paragraphs (d), (e), and (f), as applicable.

(c) Case managers without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

(1) have three or four years of experience as a case manager associate as defined in this section;

(2) be a registered nurse without a bachelor's degree and have a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 Department of Human Service waiver provision and meet the continuing education and mentoring requirements in this section.

(d) A case manager with at least 2,000 hours of supervised experience in the delivery of services to adults with mental illness must receive regular ongoing supervision and clinical supervision totaling 38 hours per year of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The remaining 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours. Clinical supervision must be documented in the client record.

(e) A case manager without 2,000 hours of supervised experience in the delivery of services to adults with mental illness must:

(1) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour per week until the requirement of 2,000 hours of experience is met; and

(2) complete 40 hours of training approved by the commissioner in case management skills and the characteristics and needs of adults with serious and persistent mental illness.

(f) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in mental illness and mental health services every two years.

(g) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a certified peer specialist under section 256B.0615;

(iii) be a registered nurse without a bachelor's degree;

(iv) within the previous ten years, have three years of life experience with serious and persistent mental illness as defined in subdivision 20; ~~or~~ as a child had ~~severe emotional disturbance~~ a serious mental illness as defined in section 245.4871, subdivision 6; or have three years life experience as a primary caregiver to an adult with serious and persistent mental illness within the previous ten years;

(v) have 6,000 hours work experience as a nondegreed state hospital technician; or

(vi) have at least 6,000 hours of supervised experience in the delivery of services to persons with mental illness.

Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (vi) may qualify as a case manager after three years of supervised experience as a case manager associate.

(h) A case management associate must meet the following supervision, mentoring, and continuing education requirements:

(1) have 40 hours of preservice training described under paragraph (e), clause (2);

(2) receive at least 40 hours of continuing education in mental illness and mental health services annually; and

(3) receive at least five hours of mentoring per week from a case management mentor.

A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(i) A case management supervisor must meet the criteria for mental health professionals, as specified in subdivision 18.

(j) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to adult immigrants with serious and persistent mental illness who are members of the same ethnic group as the case manager if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of this subdivision are met.

Sec. 10. Minnesota Statutes 2024, section 245.4682, subdivision 3, is amended to read:

Subd. 3. **Projects for coordination of care.** (a) Consistent with section 256B.69 and chapter 256L, the commissioner is authorized to solicit, approve, and implement up to three projects to demonstrate the integration of physical and mental health services within prepaid health plans and their coordination with social services. The commissioner shall require that each project be based on locally defined partnerships that include at least one health maintenance organization, community integrated service network, or accountable provider network authorized and operating under chapter 62D, 62N, or 62T, or county-based purchasing entity under section 256B.692 that is eligible to contract with the commissioner as a prepaid health plan, and the county or counties within the service area. Counties shall retain responsibility and authority for social services in these locally defined partnerships.

(b) The commissioner, in consultation with consumers, families, and their representatives, shall:

(1) determine criteria for approving the projects and use those criteria to solicit proposals for preferred integrated networks. The commissioner must develop criteria to evaluate the partnership proposed by the county and prepaid health plan to coordinate access and delivery of services. The proposal must at a minimum address how the partnership will coordinate the provision of:

(i) client outreach and identification of health and social service needs paired with expedited access to appropriate resources;

(ii) activities to maintain continuity of health care coverage;

(iii) children's residential mental health treatment and treatment foster care;

(iv) court-ordered assessments and treatments;

(v) prepetition screening and commitments under chapter 253B;

(vi) assessment and treatment of children identified through mental health screening of child welfare and juvenile corrections cases;

(vii) home and community-based waiver services;

(viii) assistance with finding and maintaining employment;

(ix) housing; and

(x) transportation;

(2) determine specifications for contracts with prepaid health plans to improve the plan's ability to serve persons with mental health conditions, including specifications addressing:

(i) early identification and intervention of physical and behavioral health problems;

(ii) communication between the enrollee and the health plan;

(iii) facilitation of enrollment for persons who are also eligible for a Medicare special needs plan offered by the health plan;

(iv) risk screening procedures;

(v) health care coordination;

(vi) member services and access to applicable protections and appeal processes;

(vii) specialty provider networks;

(viii) transportation services;

(ix) treatment planning; and

(x) administrative simplification for providers;

(3) begin implementation of the projects no earlier than January 1, 2009, with not more than 40 percent of the statewide population included during calendar year 2009 and additional counties included in subsequent years;

(4) waive any administrative rule not consistent with the implementation of the projects;

(5) allow potential bidders at least 90 days to respond to the request for proposals; and

(6) conduct an independent evaluation to determine if mental health outcomes have improved in that county or counties according to measurable standards designed in consultation with the advisory body established under this subdivision and reviewed by the State Advisory Council on Mental Health.

(c) Notwithstanding any statute or administrative rule to the contrary, the commissioner may enroll all persons eligible for medical assistance with serious mental illness ~~or emotional disturbance~~ in the prepaid plan of their choice within the project service area unless:

(1) the individual is eligible for home and community-based services for persons with developmental disabilities and related conditions under section 256B.092; or

(2) the individual has a basis for exclusion from the prepaid plan under section 256B.69, subdivision 4, other than disability, or mental illness~~, or emotional disturbance~~.

(d) The commissioner shall involve organizations representing persons with mental illness and their families in the development and distribution of information used to educate potential enrollees regarding their options for health care and mental health service delivery under this subdivision.

(e) If the person described in paragraph (c) does not elect to remain in fee-for-service medical assistance, or declines to choose a plan, the commissioner may preferentially assign that person to the prepaid plan participating in the preferred integrated network. The commissioner shall implement the enrollment changes within a project's service area on the timeline specified in that project's approved application.

(f) A person enrolled in a prepaid health plan under paragraphs (c) and (d) may disenroll from the plan at any time.

(g) The commissioner, in consultation with consumers, families, and their representatives, shall evaluate the projects begun in 2009, and shall refine the design of the service integration projects before expanding the projects. The commissioner shall report to the chairs of the legislative committees with jurisdiction over mental health services by March 1, 2008, on plans for evaluation of preferred integrated networks established under this subdivision.

(h) The commissioner shall apply for any federal waivers necessary to implement these changes.

(i) Payment for Medicaid service providers under this subdivision for the months of May and June will be made no earlier than July 1 of the same calendar year.

Sec. 11. Minnesota Statutes 2024, section 245.4835, subdivision 2, is amended to read:

Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with subdivision 1, the commissioner shall require the county to develop a corrective action plan according to a format and timeline established by the commissioner. If the commissioner determines that a county has not developed an acceptable corrective action plan within the required timeline, or that the county is not in compliance with an approved corrective action plan, the protections provided to that county under section 245.485 do not apply.

(b) The commissioner shall consider the following factors to determine whether to approve a county's corrective action plan:

(1) the degree to which a county is maximizing revenues for mental health services from noncounty sources;

(2) the degree to which a county is expanding use of alternative services that meet mental health needs, but do not count as mental health services within existing reporting systems. If approved by the commissioner, the alternative services must be included in the county's base as well as subsequent years. The commissioner's approval for alternative services must be based on the following criteria:

(i) the service must be provided to children ~~with emotional disturbance~~ or adults with mental illness;

(ii) the services must be based on an individual treatment plan or individual community support plan as defined in the Comprehensive Mental Health Act; and

(iii) the services must be supervised by a mental health professional and provided by staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and 256B.0623, subdivision 5.

(c) Additional county expenditures to make up for the prior year's underspending may be spread out over a two-year period.

Sec. 12. Minnesota Statutes 2024, section 245.4863, is amended to read:

245.4863 INTEGRATED CO-OCCURRING DISORDER TREATMENT.

(a) The commissioner shall require individuals who perform substance use disorder assessments to screen clients for co-occurring mental health disorders, and staff who perform mental health diagnostic assessments to screen for co-occurring substance use disorders. Screening tools must be approved by the commissioner. If a client screens positive for a co-occurring mental health or substance use disorder, the individual performing the screening must document what actions will be taken in response to the results and whether further assessments must be performed.

(b) Notwithstanding paragraph (a), screening is not required when:

(1) the presence of co-occurring disorders was documented for the client in the past 12 months;

(2) the client is currently receiving co-occurring disorders treatment;

(3) the client is being referred for co-occurring disorders treatment; or

(4) a mental health professional who is competent to perform diagnostic assessments of co-occurring disorders is performing a diagnostic assessment to identify whether the client may have co-occurring mental health and substance use disorders. If an individual is identified to have co-occurring mental health and substance use disorders, the assessing mental health professional must document what actions will be taken to address the client's co-occurring disorders.

(c) The commissioner shall adopt rules as necessary to implement this section. The commissioner shall ensure that the rules are effective on July 1, 2013, thereby establishing a certification process for integrated dual disorder treatment providers and a system through which individuals receive integrated dual diagnosis treatment if assessed as having both a substance use disorder and ~~either~~ a serious mental illness ~~or emotional disturbance~~.

(d) The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation for the provision of integrated dual diagnosis treatment to persons with co-occurring disorders.

Sec. 13. Minnesota Statutes 2024, section 245.487, subdivision 2, is amended to read:

Subd. 2. **Findings.** The legislature finds there is a need for further development of existing clinical services for ~~emotionally disturbed~~ children with mental illness and their families and the creation of new services for this population. Although the services specified in sections 245.487 to 245.4889 are mental health services, sections 245.487 to 245.4889 emphasize the need for a child-oriented and family-oriented approach of therapeutic programming and the need for continuity of care with other community agencies. At the same time, sections 245.487 to 245.4889 emphasize the importance of developing special mental health expertise in children's mental health services because of the unique needs of this population.

Nothing in sections 245.487 to 245.4889 shall be construed to abridge the authority of the court to make dispositions under chapter 260, but the mental health services due any child with serious and persistent mental illness, as defined in section 245.462, subdivision 20, or with ~~severe emotional disturbance~~ a serious mental illness, as defined in section 245.4871, subdivision 6, shall be made a part of any disposition affecting that child.

Sec. 14. Minnesota Statutes 2024, section 245.4871, subdivision 3, is amended to read:

Subd. 3. **Case management services.** "Case management services" means activities that are coordinated with the family community support services and are designed to help the child with ~~severe emotional disturbance~~ serious mental illness and the child's family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case management services include assisting in obtaining a comprehensive diagnostic assessment, developing an individual family community support plan, and assisting the child and the child's family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of services over time.

Sec. 15. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with ~~severe emotional disturbance~~ serious mental illness and the child's family.

(b) A case manager must:

(1) have experience and training in working with children;

(2) have at least a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (d);

(3) have experience and training in identifying and assessing a wide range of children's needs;

(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families; and

(5) meet the supervision and continuing education requirements of paragraphs (e), (f), and (g), as applicable.

(c) A case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.

(d) A case manager without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

(1) have three or four years of experience as a case manager associate;

(2) be a registered nurse without a bachelor's degree who has a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 Department of Human Services waiver provision and meets the continuing education, supervision, and mentoring requirements in this section.

(e) A case manager with at least 2,000 hours of supervised experience in the delivery of mental health services to children must receive regular ongoing supervision and clinical supervision totaling 38 hours per year, of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The other 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours.

(f) A case manager without 2,000 hours of supervised experience in the delivery of mental health services to children with ~~emotional disturbance~~ mental illness must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with ~~severe emotional disturbance~~ serious mental illness before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour each week until the requirement of 2,000 hours of experience is met.

(g) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in ~~severe emotional disturbance~~ serious mental illness and mental health services every two years.

(h) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(i) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(j) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a registered nurse without a bachelor's degree;

(iii) have three years of life experience as a primary caregiver to a child with serious ~~emotional disturbance~~ mental illness as defined in subdivision 6 within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

(v) have 6,000 hours of supervised work experience in the delivery of mental health services to children with ~~emotional disturbances~~ mental illness; hours worked as a mental health behavioral aide I or II under section 256B.0943, subdivision 7, may count toward the 6,000 hours of supervised work experience.

Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v) may qualify as a case manager after three years of supervised experience as a case manager associate.

(k) Case manager associates must meet the following supervision, mentoring, and continuing education requirements;

(1) have 40 hours of preservice training described under paragraph (f), clause (1);

(2) receive at least 40 hours of continuing education in ~~severe emotional disturbance~~ serious mental illness and mental health service annually; and

(3) receive at least five hours of mentoring per week from a case management mentor. A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(l) A case management supervisor must meet the criteria for a mental health professional as specified in subdivision 27.

(m) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to child immigrants with ~~severe emotional disturbance~~ serious mental illness of the same ethnic group as the immigrant if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

Sec. 16. Minnesota Statutes 2024, section 245.4871, subdivision 6, is amended to read:

Subd. 6. **Child with ~~severe emotional disturbance~~ serious mental illness.** For purposes of eligibility for case management and family community support services, "child with ~~severe emotional disturbance~~ serious mental illness" means a child who has ~~an emotional disturbance~~ a mental illness and who meets one of the following criteria:

(1) the child has been admitted within the last three years or is at risk of being admitted to inpatient treatment or residential treatment for ~~an emotional disturbance~~ a mental illness; or

(2) the child is a Minnesota resident and is receiving inpatient treatment or residential treatment for ~~an emotional disturbance~~ a mental illness through the interstate compact; or

(3) the child has one of the following as determined by a mental health professional:

(i) psychosis or a clinical depression; or

(ii) risk of harming self or others as a result of ~~an emotional disturbance~~ a mental illness; or

(iii) psychopathological symptoms as a result of being a victim of physical or sexual abuse or of psychic trauma within the past year; or

(4) the child, as a result of ~~an emotional disturbance~~ a mental illness, has significantly impaired home, school, or community functioning that has lasted at least one year or that, in the written opinion of a mental health professional, presents substantial risk of lasting at least one year.

Sec. 17. Minnesota Statutes 2024, section 245.4871, subdivision 13, is amended to read:

Subd. 13. **Education and prevention services.** (a) "Education and prevention services" means services designed to:

(1) educate the general public;

(2) increase the understanding and acceptance of problems associated with ~~emotional disturbances~~ children's mental illnesses;

(3) improve people's skills in dealing with high-risk situations known to affect children's mental health and functioning; and

(4) refer specific children or their families with mental health needs to mental health services.

(b) The services include distribution to individuals and agencies identified by the county board and the local children's mental health advisory council of information on predictors and symptoms of ~~emotional disturbances~~ mental illnesses, where mental health services are available in the county, and how to access the services.

Sec. 18. Minnesota Statutes 2024, section 245.4871, subdivision 15, is amended to read:

Subd. 15. **~~Emotional disturbance~~ Mental illness.** ~~"Emotional disturbance"~~ "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that:

(1) is detailed in a diagnostic codes list published by the commissioner; and

(2) seriously limits a child's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, school, and recreation.

~~"Emotional disturbance"~~ Mental illness is a generic term and is intended to reflect all categories of disorder described in the clinical code list published by the commissioner as "usually first evident in childhood or adolescence."

Sec. 19. Minnesota Statutes 2024, section 245.4871, subdivision 17, is amended to read:

Subd. 17. **Family community support services.** "Family community support services" means services provided under the treatment supervision of a mental health professional and designed to help each child with ~~severe emotional disturbance~~ serious mental illness to function and remain with the child's family in the community. Family community support services do not include acute care hospital inpatient treatment, residential treatment services, or regional treatment center services. Family community support services include:

(1) client outreach to each child with ~~severe emotional disturbance~~ serious mental illness and the child's family;

(2) medication monitoring where necessary;

(3) assistance in developing independent living skills;

(4) assistance in developing parenting skills necessary to address the needs of the child with ~~severe emotional disturbance~~ serious mental illness;

(5) assistance with leisure and recreational activities;

(6) crisis planning, including crisis placement and respite care;

(7) professional home-based family treatment;

(8) foster care with therapeutic supports;

(9) day treatment;

(10) assistance in locating respite care and special needs day care; and

(11) assistance in obtaining potential financial resources, including those benefits listed in section 245.4884, subdivision 5.

Sec. 20. Minnesota Statutes 2024, section 245.4871, subdivision 19, is amended to read:

Subd. 19. **Individual family community support plan.** "Individual family community support plan" means a written plan developed by a case manager in conjunction with the family and the child with ~~severe emotional disturbance~~ serious mental illness on the basis of a diagnostic assessment and a functional assessment. The plan identifies specific services needed by a child and the child's family to:

(1) treat the symptoms and dysfunctions determined in the diagnostic assessment;

(2) relieve conditions leading to ~~emotional disturbance~~ mental illness and improve the personal well-being of the child;

(3) improve family functioning;

(4) enhance daily living skills;

(5) improve functioning in education and recreation settings;

(6) improve interpersonal and family relationships;

(7) enhance vocational development; and

(8) assist in obtaining transportation, housing, health services, and employment.

Sec. 21. Minnesota Statutes 2024, section 245.4871, subdivision 21, is amended to read:

Subd. 21. **Individual treatment plan.** (a) "Individual treatment plan" means the formulation of planned services that are responsive to the needs and goals of a client. An individual treatment plan must be completed according to section 245I.10, subdivisions 7 and 8.

(b) A children's residential facility licensed under Minnesota Rules, chapter 2960, is exempt from the requirements of section 245I.10, subdivisions 7 and 8. Instead, the individual treatment plan must:

(1) include a written plan of intervention, treatment, and services for a child with ~~an emotional disturbance~~ a mental illness that the service provider develops under the clinical supervision of a mental health professional on the basis of a diagnostic assessment;

(2) be developed in conjunction with the family unless clinically inappropriate; and

(3) identify goals and objectives of treatment, treatment strategy, a schedule for accomplishing treatment goals and objectives, and the individuals responsible for providing treatment to the child with ~~an emotional disturbance~~ a mental illness.

Sec. 22. Minnesota Statutes 2024, section 245.4871, subdivision 22, is amended to read:

Subd. 22. **Legal representative.** "Legal representative" means a guardian, conservator, or guardian ad litem of a child with ~~an emotional disturbance~~ a mental illness authorized by the court to make decisions about mental health services for the child.

Sec. 23. Minnesota Statutes 2024, section 245.4871, subdivision 28, is amended to read:

Subd. 28. **Mental health services.** "Mental health services" means at least all of the treatment services and case management activities that are provided to children with ~~emotional disturbances~~ mental illnesses and are described in sections 245.487 to 245.4889.

Sec. 24. Minnesota Statutes 2024, section 245.4871, subdivision 29, is amended to read:

Subd. 29. **Outpatient services.** "Outpatient services" means mental health services, excluding day treatment and community support services programs, provided by or under the treatment supervision of a mental health professional to children with ~~emotional disturbances~~ mental illnesses who live outside a hospital. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.

Sec. 25. Minnesota Statutes 2024, section 245.4871, subdivision 32, is amended to read:

Subd. 32. **Residential treatment.** "Residential treatment" means a 24-hour-a-day program under the treatment supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center inpatient unit, that must be licensed as a residential treatment program for children with ~~emotional disturbances~~ mental illnesses under Minnesota Rules, parts 2960.0580 to 2960.0700, or other rules adopted by the commissioner.

Sec. 26. Minnesota Statutes 2024, section 245.4871, subdivision 34, is amended to read:

Subd. 34. **Therapeutic support of foster care.** "Therapeutic support of foster care" means the mental health training and mental health support services and treatment supervision provided by a mental health professional to foster families caring for children with ~~severe emotional disturbance~~ serious mental illnesses to provide a therapeutic family environment and support for the child's improved functioning. Therapeutic support of foster care includes services provided under section 256B.0946.

Sec. 27. Minnesota Statutes 2024, section 245.4873, subdivision 2, is amended to read:

Subd. 2. **State level; coordination.** The Children's Cabinet, under section 4.045, in consultation with a representative of the Minnesota District Judges Association Juvenile Committee, shall:

(1) educate each agency about the policies, procedures, funding, and services for children with ~~emotional disturbances~~ mental illnesses of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with ~~emotional disturbances~~ mental illnesses;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent; and

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children.

Sec. 28. Minnesota Statutes 2024, section 245.4875, subdivision 5, is amended to read:

Subd. 5. **Local children's advisory council.** (a) By October 1, 1989, the county board, individually or in conjunction with other county boards, shall establish a local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council or shall include persons on its existing mental health advisory council who are representatives of children's mental health interests. The following individuals must serve on the local children's mental health advisory council, the children's mental health subcommittee of an existing local mental health advisory council, or be included on an existing mental health advisory council: (1) at least one person who was in a mental health program as a child or adolescent; (2) at least one parent of a child or adolescent with ~~severe emotional disturbance~~ serious mental illness; (3) one children's mental health professional; (4) representatives of minority populations of significant size residing in the county; (5) a representative of the children's mental health local coordinating council; and (6) one family community support services program representative.

(b) The local children's mental health advisory council or children's mental health subcommittee of an existing advisory council shall seek input from parents, former consumers, providers, and others about the needs of children with ~~emotional disturbance~~ mental illness in the local area and services needed by families of these children, and shall meet monthly, unless otherwise determined by the council or subcommittee, but not less than quarterly, to review, evaluate, and make recommendations regarding the local children's mental health system. Annually, the local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council shall:

(1) arrange for input from the local system of care providers regarding coordination of care between the services;

(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.4877, clause (2); and

(3) provide to the county board a report of unmet mental health needs of children residing in the county.

(c) The county board shall consider the advice of its local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council in carrying out its authorities and responsibilities.

Sec. 29. Minnesota Statutes 2024, section 245.4876, subdivision 4, is amended to read:

Subd. 4. **Referral for case management.** Each provider of emergency services, outpatient treatment, community support services, family community support services, day treatment services, screening under section 245.4885, professional home-based family treatment services, residential treatment facilities, acute care hospital inpatient treatment facilities, or regional treatment center services must inform each child with ~~severe emotional~~

~~disturbance~~ serious mental illness, and the child's parent or legal representative, of the availability and potential benefits to the child of case management. The information shall be provided as specified in subdivision 5. If consent is obtained according to subdivision 5, the provider must refer the child by notifying the county employee designated by the county board to coordinate case management activities of the child's name and address and by informing the child's family of whom to contact to request case management. The provider must document compliance with this subdivision in the child's record. The parent or child may directly request case management even if there has been no referral.

Sec. 30. Minnesota Statutes 2024, section 245.4876, subdivision 5, is amended to read:

Subd. 5. **Consent for services or for release of information.** (a) Although sections 245.487 to 245.4889 require each county board, within the limits of available resources, to make the mental health services listed in those sections available to each child residing in the county who needs them, the county board shall not provide any services, either directly or by contract, unless consent to the services is obtained under this subdivision. The case manager assigned to a child with a ~~severe emotional disturbance~~ serious mental illness shall not disclose to any person other than the case manager's immediate supervisor and the mental health professional providing clinical supervision of the case manager information on the child, the child's family, or services provided to the child or the child's family without informed written consent unless required to do so by statute or under the Minnesota Government Data Practices Act. Informed written consent must comply with section 13.05, subdivision 4, paragraph (d), and specify the purpose and use for which the case manager may disclose the information.

(b) The consent or authorization must be obtained from the child's parent unless: (1) the parental rights are terminated; or (2) consent is otherwise provided under sections 144.341 to 144.347; 253B.04, subdivision 1; 260C.148; 260C.151; and 260C.201, subdivision 1, the terms of appointment of a court-appointed guardian or conservator, or federal regulations governing substance use disorder services.

Sec. 31. Minnesota Statutes 2024, section 245.4877, is amended to read:

245.4877 EDUCATION AND PREVENTION SERVICES.

Education and prevention services must be available to all children residing in the county. Education and prevention services must be designed to:

(1) convey information regarding ~~emotional disturbances~~ mental illnesses, mental health needs, and treatment resources to the general public;

(2) at least annually, distribute to individuals and agencies identified by the county board and the local children's mental health advisory council information on predictors and symptoms of ~~emotional disturbances~~ mental illnesses, where mental health services are available in the county, and how to access the services;

(3) increase understanding and acceptance of problems associated with ~~emotional disturbances~~ mental illnesses;

(4) improve people's skills in dealing with high-risk situations known to affect children's mental health and functioning;

(5) prevent development or deepening of ~~emotional disturbances~~ mental illnesses; and

(6) refer each child with ~~emotional disturbance~~ mental illness or the child's family with additional mental health needs to appropriate mental health services.

Sec. 32. Minnesota Statutes 2024, section 245.488, subdivision 1, is amended to read:

Subdivision 1. **Availability of outpatient services.** (a) County boards must provide or contract for enough outpatient services within the county to meet the needs of each child with ~~emotional disturbance~~ mental illness residing in the county and the child's family. Services may be provided directly by the county through county-operated mental health clinics meeting the standards of chapter 245I; by contract with privately operated mental health clinics meeting the standards of chapter 245I; by contract with hospital mental health outpatient programs certified by the Joint Commission on Accreditation of Hospital Organizations; or by contract with a mental health professional. A child or a child's parent may be required to pay a fee based in accordance with section 245.481. Outpatient services include:

(1) conducting diagnostic assessments;

(2) conducting psychological testing;

(3) developing or modifying individual treatment plans;

(4) making referrals and recommending placements as appropriate;

(5) treating the child's mental health needs through therapy; and

(6) prescribing and managing medication and evaluating the effectiveness of prescribed medication.

(b) County boards may request a waiver allowing outpatient services to be provided in a nearby trade area if it is determined that the child requires necessary and appropriate services that are only available outside the county.

(c) Outpatient services offered by the county board to prevent placement must be at the level of treatment appropriate to the child's diagnostic assessment.

Sec. 33. Minnesota Statutes 2024, section 245.488, subdivision 3, is amended to read:

Subd. 3. **Mental health crisis services.** County boards must provide or contract for mental health crisis services within the county to meet the needs of children with ~~emotional disturbance~~ mental illness residing in the county who are determined, through an assessment by a mental health professional, to be experiencing a mental health crisis or mental health emergency. The mental health crisis services provided must be medically necessary, as defined in section 62Q.53, subdivision 2, and necessary for the safety of the child or others regardless of the setting.

Sec. 34. Minnesota Statutes 2024, section 245.4881, subdivision 1, is amended to read:

Subdivision 1. **Availability of case management services.** (a) The county board shall provide case management services for each child with ~~severe emotional disturbance~~ serious mental illness who is a resident of the county and the child's family who request or consent to the services. Case management services must be offered to a child with a serious ~~emotional disturbance~~ mental illness who is over the age of 18 consistent with section 245.4875, subdivision 8, or the child's legal representative, provided the child's service needs can be met within the children's service system. Before discontinuing case management services under this subdivision for children between the ages of 17 and 21, a transition plan must be developed. The transition plan must be developed with the child and, with the consent of a child age 18 or over, the child's parent, guardian, or legal representative. The transition plan should include plans for health insurance, housing, education, employment, and treatment. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.4871, subdivision 4.

(b) Except as permitted by law and the commissioner under demonstration projects, case management services provided to children with ~~severe emotional disturbance~~ serious mental illness eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

(c) Case management services are eligible for reimbursement under the medical assistance program. Costs of mentoring, supervision, and continuing education may be included in the reimbursement rate methodology used for case management services under the medical assistance program.

Sec. 35. Minnesota Statutes 2024, section 245.4881, subdivision 4, is amended to read:

Subd. 4. **Individual family community support plan.** (a) For each child, the case manager must develop an individual family community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family community support plan. The case manager is responsible for developing the individual family community support plan within 30 days of intake based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual family community support plan. The case manager must review the plan at least every 180 calendar days after it is developed, unless the case manager has received a written request from the child's family or an advocate for the child for a review of the plan every 90 days after it is developed. To the extent appropriate, the child with ~~severe emotional disturbance~~ serious mental illness, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family community support plan. Notwithstanding the lack of an individual family community support plan, the case manager shall assist the child and child's family in accessing the needed services listed in section 245.4884, subdivision 1.

(b) The child's individual family community support plan must state:

(1) the goals and expected outcomes of each service and criteria for evaluating the effectiveness and appropriateness of the service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family community support plan.

Sec. 36. Minnesota Statutes 2024, section 245.4882, subdivision 1, is amended to read:

Subdivision 1. **Availability of residential treatment services.** County boards must provide or contract for enough residential treatment services to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness residing in the county and needing this level of care. Length of stay is based on the child's residential treatment need and shall be reviewed every 90 days. Services must be appropriate to the child's age and treatment needs and must be made available as close to the county as possible. Residential treatment must be designed to:

(1) help the child improve family living and social interaction skills;

(2) help the child gain the necessary skills to return to the community;

(3) stabilize crisis admissions; and

(4) work with families throughout the placement to improve the ability of the families to care for children with ~~severe emotional disturbance~~ serious mental illness in the home.

Sec. 37. Minnesota Statutes 2024, section 245.4882, subdivision 5, is amended to read:

Subd. 5. **Specialized residential treatment services.** The commissioner of human services shall continue efforts to further interagency collaboration to develop a comprehensive system of services, including family community support and specialized residential treatment services for children. The services shall be designed for children with ~~emotional disturbance~~ mental illness who exhibit violent or destructive behavior and for whom local treatment services are not feasible due to the small number of children statewide who need the services and the specialized nature of the services required. The services shall be located in community settings.

Sec. 38. Minnesota Statutes 2024, section 245.4884, is amended to read:

245.4884 FAMILY COMMUNITY SUPPORT SERVICES.

Subdivision 1. **Availability of family community support services.** By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with ~~severe emotional disturbance~~ serious mental illness to:

(1) manage basic activities of daily living;

(2) function appropriately in home, school, and community settings;

(3) participate in leisure time or community youth activities;

(4) set goals and plans;

(5) reside with the family in the community;

(6) participate in after-school and summer activities;

(7) make a smooth transition among mental health and education services provided to children; and

(8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

The commissioner of human services shall work with mental health professionals to develop standards for clinical supervision of family community support services. These standards shall be incorporated in rule and in guidelines for grants for family community support services.

Subd. 2. **Day treatment services provided.** (a) Day treatment services must be part of the family community support services available to each child with ~~severe emotional disturbance~~ serious mental illness residing in the county. A child or the child's parent may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

(1) provide a structured environment for treatment;

(2) provide support for residing in the community;

(3) prevent placements that are more intensive, costly, or restrictive than necessary to meet the child's need;

(4) coordinate with or be offered in conjunction with the child's education program;

(5) provide therapy and family intervention for children that are coordinated with education services provided and funded by schools; and

(6) operate during all 12 months of the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) alternative services exist through the county's family community support services for each child who would otherwise need day treatment services; and

(2) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Subd. 3. **Professional home-based family treatment provided.** (a) By January 1, 1991, county boards must provide or contract for sufficient professional home-based family treatment within the county to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness who is at risk of ~~out of home placement~~ residential treatment or therapeutic foster care due to the child's ~~emotional disturbance~~ mental illness or who is returning to the home from ~~out of home placement~~ residential treatment or therapeutic foster care. The child or the child's parent may be required to pay a fee according to section 245.481. The county board shall require that all service providers of professional home-based family treatment set fee schedules approved by the county board that are based on the child's or family's ability to pay. The professional home-based family treatment must be designed to assist each child with ~~severe emotional disturbance~~ serious mental illness who is at risk of or who is returning from ~~out of home placement~~ residential treatment or therapeutic foster care and the child's family to:

(1) improve overall family functioning in all areas of life;

(2) treat the child's symptoms of ~~emotional disturbance~~ mental illness that contribute to a risk of ~~out of home placement~~ residential treatment or therapeutic foster care;

(3) provide a positive change in the emotional, behavioral, and mental well-being of children and their families; and

(4) reduce risk of ~~out of home placement~~ residential treatment or therapeutic foster care for the identified child with ~~severe emotional disturbance~~ serious mental illness and other siblings or successfully reunify and reintegrate into the family a child returning from ~~out of home placement~~ residential treatment or therapeutic foster care due to ~~emotional disturbance~~ mental illness.

(b) Professional home-based family treatment must be provided by a team consisting of a mental health professional and others who are skilled in the delivery of mental health services to children and families in conjunction with other human service providers. The professional home-based family treatment team must maintain flexible hours of service availability and must provide or arrange for crisis services for each family, 24 hours a day, seven days a week. Case loads for each professional home-based family treatment team must be small enough to permit the delivery of intensive services and to meet the needs of the family. Professional home-based family treatment providers shall coordinate services and service needs with case managers assigned to children and their families. The treatment team must develop an individual treatment plan that identifies the specific treatment objectives for both the child and the family.

Subd. 4. **Therapeutic support of foster care.** By January 1, 1992, county boards must provide or contract for foster care with therapeutic support as defined in section 245.4871, subdivision 34. Foster families caring for children with ~~severe emotional disturbance~~ serious mental illness must receive training and supportive services, as necessary, at no cost to the foster families within the limits of available resources.

Subd. 5. **Benefits assistance.** The county board must offer help to a child with ~~severe emotional disturbance~~ serious mental illness and the child's family in applying for federal benefits, including Supplemental Security Income, medical assistance, and Medicare.

Sec. 39. Minnesota Statutes 2024, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. **Admission criteria.** (a) Prior to admission or placement, except in the case of an emergency, all children referred for treatment of ~~severe emotional disturbance~~ serious mental illness in a treatment foster care setting, residential treatment facility, or informally admitted to a regional treatment center shall undergo an assessment to determine the appropriate level of care if county funds are used to pay for the child's services. An emergency includes when a child is in need of and has been referred for crisis stabilization services under section 245.4882, subdivision 6. A child who has been referred to residential treatment for crisis stabilization services in a residential treatment center is not required to undergo an assessment under this section.

(b) The county board shall determine the appropriate level of care for a child when county-controlled funds are used to pay for the child's residential treatment under this chapter, including residential treatment provided in a qualified residential treatment program as defined in section 260C.007, subdivision 26d. When a county board does not have responsibility for a child's placement and the child is enrolled in a prepaid health program under section 256B.69, the enrolled child's contracted health plan must determine the appropriate level of care for the child. When Indian Health Services funds or funds of a tribally owned facility funded under the Indian Self-Determination and Education Assistance Act, Public Law 93-638, are used for the child, the Indian Health Services or 638 tribal health facility must determine the appropriate level of care for the child. When more than one entity bears responsibility for a child's coverage, the entities shall coordinate level of care determination activities for the child to the extent possible.

(c) The child's level of care determination shall determine whether the proposed treatment:

(1) is necessary;

(2) is appropriate to the child's individual treatment needs;

(3) cannot be effectively provided in the child's home; and

(4) provides a length of stay as short as possible consistent with the individual child's needs.

(d) When a level of care determination is conducted, the county board or other entity may not determine that a screening of a child, referral, or admission to a residential treatment facility is not appropriate solely because services were not first provided to the child in a less restrictive setting and the child failed to make progress toward or meet treatment goals in the less restrictive setting. The level of care determination must be based on a diagnostic assessment of a child that evaluates the child's family, school, and community living situations; and an assessment of the child's need for care out of the home using a validated tool which assesses a child's functional status and assigns an appropriate level of care to the child. The validated tool must be approved by the commissioner of human services and may be the validated tool approved for the child's assessment under section 260C.704 if the juvenile treatment screening team recommended placement of the child in a qualified residential treatment program. If a diagnostic assessment has been completed by a mental health professional within the past 180 days, a new diagnostic assessment need not be completed unless in the opinion of the current treating mental health professional

the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the level of care determination process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether these services are available and accessible to the child and the child's family. The child and the child's family must be invited to any meeting where the level of care determination is discussed and decisions regarding residential treatment are made. The child and the child's family may invite other relatives, friends, or advocates to attend these meetings.

(e) During the level of care determination process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family community support plan is being developed by the case manager, if assigned.

(f) The level of care determination, placement decision, and recommendations for mental health services must be documented in the child's record and made available to the child's family, as appropriate.

Sec. 40. Minnesota Statutes 2024, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 142D.15 or 245.493; or

(4) mental health service providers.

(b) The following services are eligible for grants under this section:

(1) services to children with ~~emotional disturbances~~ mental illness as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with ~~emotional disturbances~~ mental illness or ~~severe emotional disturbances~~ serious mental illness who are at risk of residential treatment or hospitalization~~,~~; who are already in ~~out-of-home placement~~ residential treatment, therapeutic foster care, or in family foster settings as defined in chapter 142B and at risk of change in ~~out-of-home placement~~ foster care or placement in a residential facility or other higher level of care~~,~~; who have utilized crisis services or emergency room services~~,~~; or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

(6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(7) children's mental health screening and follow-up diagnostic assessment and treatment;

(8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(9) school-linked mental health services under section 245.4901;

(10) building evidence-based mental health intervention capacity for children birth to age five;

(11) suicide prevention and counseling services that use text messaging statewide;

(12) mental health first aid training;

(13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;

(14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(15) early childhood mental health consultation;

(16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;

(17) psychiatric consultation for primary care practitioners; and

(18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 41. Minnesota Statutes 2024, section 245.4907, subdivision 2, is amended to read:

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider that employs a mental health certified peer family specialist qualified under section 245I.04, subdivision 12, and that provides services to families who have a child:

(1) with ~~an emotional disturbance~~ a mental illness or ~~severe emotional disturbance~~ serious mental illness under chapter 245;

(2) receiving inpatient hospitalization under section 256B.0625, subdivision 1;

(3) admitted to a residential treatment facility under section 245.4882;

(4) receiving children's intensive behavioral health services under section 256B.0946;

(5) receiving day treatment or children's therapeutic services and supports under section 256B.0943; or

(6) receiving crisis response services under section 256B.0624.

Sec. 42. Minnesota Statutes 2024, section 245.491, subdivision 2, is amended to read:

Subd. 2. **Purpose.** The legislature finds that children with mental illnesses or emotional or behavioral disturbances or who are at risk of suffering such disturbances often require services from multiple service systems including mental health, social services, education, corrections, juvenile court, health, and employment and economic development. In order to better meet the needs of these children, it is the intent of the legislature to establish an integrated children's mental health service system that:

(1) allows local service decision makers to draw funding from a single local source so that funds follow clients and eliminates the need to match clients, funds, services, and provider eligibilities;

(2) creates a local pool of state, local, and private funds to procure a greater medical assistance federal financial participation;

(3) improves the efficiency of use of existing resources;

(4) minimizes or eliminates the incentives for cost and risk shifting; and

(5) increases the incentives for earlier identification and intervention.

The children's mental health integrated fund established under sections 245.491 to 245.495 must be used to develop and support this integrated mental health service system. In developing this integrated service system, it is not the intent of the legislature to limit any rights available to children and their families through existing federal and state laws.

Sec. 43. Minnesota Statutes 2024, section 245.492, subdivision 3, is amended to read:

Subd. 3. **Children with emotional or behavioral disturbances.** "Children with emotional or behavioral disturbances" includes children with ~~emotional disturbances~~ mental illnesses as defined in section 245.4871, subdivision 15, and children with emotional or behavioral disorders as defined in Minnesota Rules, part 3525.1329, subpart 1.

Sec. 44. Minnesota Statutes 2024, section 245.697, subdivision 2a, is amended to read:

Subd. 2a. **Subcommittee on Children's Mental Health.** The State Advisory Council on Mental Health (the "advisory council") must have a Subcommittee on Children's Mental Health. The subcommittee must make recommendations to the advisory council on policies, laws, regulations, and services relating to children's mental health. Members of the subcommittee must include:

(1) the commissioners or designees of the commissioners of the Departments of Human Services, Health, Education, State Planning, and Corrections;

(2) a designee of the Direct Care and Treatment executive board;

(3) the commissioner of commerce or a designee of the commissioner who is knowledgeable about medical insurance issues;

(4) at least one representative of an advocacy group for children with ~~emotional disturbances~~ mental illnesses;

(5) providers of children's mental health services, including at least one provider of services to preadolescent children, one provider of services to adolescents, and one hospital-based provider;

(6) parents of children who have ~~emotional disturbances~~ mental illnesses;

(7) a present or former consumer of adolescent mental health services;

(8) educators currently working with ~~emotionally disturbed~~ children with mental illnesses;

(9) people knowledgeable about the needs of ~~emotionally disturbed~~ children with mental illnesses of minority races and cultures;

(10) people experienced in working with ~~emotionally disturbed~~ children with mental illnesses who have committed status offenses;

(11) members of the advisory council;

(12) one person from the local corrections department and one representative of the Minnesota District Judges Association Juvenile Committee; and

(13) county commissioners and social services agency representatives.

The chair of the advisory council shall appoint subcommittee members described in clauses (4) to (12) through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 45. Minnesota Statutes 2024, section 245.814, subdivision 3, is amended to read:

Subd. 3. **Compensation provisions.** (a) If the commissioner of human services is unable to obtain insurance through ordinary methods for coverage of foster home providers, the appropriation shall be returned to the general fund and the state shall pay claims subject to the following limitations.

~~(a)~~ (b) Compensation shall be provided only for injuries, damage, or actions set forth in subdivision 1.

~~(b)~~ (c) Compensation shall be subject to the conditions and exclusions set forth in subdivision 2.

~~(c)~~ (d) The state shall provide compensation for bodily injury, property damage, or personal injury resulting from the foster home providers activities as a foster home provider while the foster child or adult is in the care, custody, and control of the foster home provider in an amount not to exceed $250,000 for each occurrence.

~~(d)~~ (e) The state shall provide compensation for damage or destruction of property caused or sustained by a foster child or adult in an amount not to exceed $250 for each occurrence.

~~(e)~~ (f) The compensation in paragraphs ~~(c) and~~ (d) and (e) is the total obligation for all damages because of each occurrence regardless of the number of claims made in connection with the same occurrence, but compensation applies separately to each foster home. The state shall have no other responsibility to provide compensation for any injury or loss caused or sustained by any foster home provider or foster child or foster adult.

(g) This coverage is extended as a benefit to foster home providers to encourage care of persons who need ~~out of home~~ the providers' care. Nothing in this section shall be construed to mean that foster home providers are agents or employees of the state nor does the state accept any responsibility for the selection, monitoring, supervision, or control of foster home providers which is exclusively the responsibility of the counties which shall regulate foster home providers in the manner set forth in the rules of the commissioner of human services.

Sec. 46. Minnesota Statutes 2024, section 245.826, is amended to read:

245.826 USE OF RESTRICTIVE TECHNIQUES AND PROCEDURES IN FACILITIES SERVING ~~EMOTIONALLY DISTURBED~~ CHILDREN WITH MENTAL ILLNESSES.

When amending rules governing facilities serving ~~emotionally disturbed~~ children with mental illnesses that are licensed under section 245A.09 and Minnesota Rules, parts 2960.0510 to 2960.0530 and 2960.0580 to 2960.0700, the commissioner of human services shall include provisions governing the use of restrictive techniques and procedures. No provision of these rules may encourage or require the use of restrictive techniques and procedures. The rules must prohibit: (1) the application of certain restrictive techniques or procedures in facilities, except as authorized in the child's case plan and monitored by the county caseworker responsible for the child; (2) the use of restrictive techniques or procedures that restrict the clients' normal access to nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary clothing; and (3) the use of corporal punishment. The rule may specify other restrictive techniques and procedures and the specific conditions under which permitted techniques and procedures are to be carried out.

Sec. 47. Minnesota Statutes 2024, section 245.91, subdivision 2, is amended to read:

Subd. 2. **Agency.** "Agency" means the divisions, officials, or employees of the state Departments of Human Services, Direct Care and Treatment, Health, and Education, and of local school districts and designated county social service agencies as defined in section 256G.02, subdivision 7, that are engaged in monitoring, providing, or regulating services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~.

Sec. 48. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency, facility, or program that provides services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~ that is required to be licensed, certified, or registered by the commissioner of human services, health, or education; a sober home as defined in section 254B.01, subdivision 11; peer recovery support services provided by a recovery community organization as defined in section 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~.

Sec. 49. Minnesota Statutes 2024, section 245.92, is amended to read:

245.92 OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS; FUNCTION.

The ombudsman for persons receiving services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~ shall promote the highest attainable standards of treatment, competence, efficiency, and justice. The ombudsman may gather information and data about decisions, acts, and other matters of an agency, facility, or program, and shall monitor the treatment of individuals participating in a University of Minnesota Department of Psychiatry clinical drug trial. The ombudsman is appointed by the governor, serves in the unclassified service, and may be removed only for just cause. The ombudsman must be selected without regard to political affiliation and must be a person who has knowledge and experience concerning the treatment, needs, and rights of clients, and who is highly competent and qualified. No person may serve as ombudsman while holding another public office.

Sec. 50. Minnesota Statutes 2024, section 245.94, subdivision 1, is amended to read:

Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.

(b) The ombudsman is a health oversight agency as defined in Code of Federal Regulations, title 45, section 164.501. The ombudsman may access patient records according to Code of Federal Regulations, title 42, section 2.53. For purposes of this paragraph, "records" has the meaning given in Code of Federal Regulations, title 42, section 2.53(a)(1)(i).

(c) The ombudsman may mediate or advocate on behalf of a client.

(d) The ombudsman may investigate the quality of services provided to clients and determine the extent to which quality assurance mechanisms within state and county government work to promote the health, safety, and welfare of clients.

(e) At the request of a client, or upon receiving a complaint or other information affording reasonable grounds to believe that the rights of one or more clients who may not be capable of requesting assistance have been adversely affected, the ombudsman may gather information and data about and analyze, on behalf of the client, the actions of an agency, facility, or program.

(f) The ombudsman may gather, on behalf of one or more clients, records of an agency, facility, or program, or records related to clinical drug trials from the University of Minnesota Department of Psychiatry, if the records relate to a matter that is within the scope of the ombudsman's authority. If the records are private and the client is capable of providing consent, the ombudsman shall first obtain the client's consent. The ombudsman is not required to obtain consent for access to private data on clients with developmental disabilities and individuals served by the Minnesota Sex Offender Program. The ombudsman may also take photographic or videographic evidence while reviewing the actions of an agency, facility, or program, with the consent of the client. The ombudsman is not required to obtain consent for access to private data on decedents who were receiving services for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~. All data collected, created, received, or maintained by the ombudsman are governed by chapter 13 and other applicable law.

(g) Notwithstanding any law to the contrary, the ombudsman may subpoena a person to appear, give testimony, or produce documents or other evidence that the ombudsman considers relevant to a matter under inquiry. The ombudsman may petition the appropriate court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part of an investigation possesses the same privileges that a witness possesses in the courts or under the law of this state. Data obtained from a person under this paragraph are private data as defined in section 13.02, subdivision 12.

(h) The ombudsman may, at reasonable times in the course of conducting a review, enter and view premises within the control of an agency, facility, or program.

(i) The ombudsman may attend Direct Care and Treatment Review Board and Special Review Board proceedings; proceedings regarding the transfer of clients, as defined in section 246.50, subdivision 4, between institutions operated by the Direct Care and Treatment executive board; and, subject to the consent of the affected client, other proceedings affecting the rights of clients. The ombudsman is not required to obtain consent to attend meetings or proceedings and have access to private data on clients with developmental disabilities and individuals served by the Minnesota Sex Offender Program.

(j) The ombudsman shall gather data of agencies, facilities, or programs classified as private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding services provided to clients with developmental disabilities and individuals served by the Minnesota Sex Offender Program.

(k) To avoid duplication and preserve evidence, the ombudsman shall inform relevant licensing or regulatory officials before undertaking a review of an action of the facility or program.

(l) The Office of Ombudsman shall provide the services of the Civil Commitment Training and Resource Center.

(m) The ombudsman shall monitor the treatment of individuals participating in a University of Minnesota Department of Psychiatry clinical drug trial and ensure that all protections for human subjects required by federal law and the Institutional Review Board are provided.

(n) Sections 245.91 to 245.97 are in addition to other provisions of law under which any other remedy or right is provided.

Sec. 51. Minnesota Statutes 2024, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not misuse substances or have a substance use disorder, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of employment and economic development;

(5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or substance use disorder treatment;

(9) programs licensed by the commissioner of corrections;

(10) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;

(11) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;

(12) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;

(13) residential programs for persons with mental illness, that are located in hospitals;

(14) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(15) mental health outpatient services for adults with mental illness or children with ~~emotional disturbance~~ mental illness;

(16) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(17) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17;

(18) assisted living facilities licensed by the commissioner of health under chapter 144G;

(19) substance use disorder treatment activities of licensed professionals in private practice as defined in section 245G.01, subdivision 17;

(20) consumer-directed community support service funded under the Medicaid waiver for persons with developmental disabilities when the individual who provided the service is:

(i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and

(ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service;

(21) a county that is an eligible vendor under section 254B.05 to provide care coordination and comprehensive assessment services;

(22) a recovery community organization that is an eligible vendor under section 254B.05 to provide peer recovery support services; or

(23) programs licensed by the commissioner of children, youth, and families in chapter 142B.

(b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

(c) Except for the home and community-based services identified in section 245D.03, subdivision 1, nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding.

Sec. 52. Minnesota Statutes 2024, section 245A.26, subdivision 1, is amended to read:

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

(b) "Clinical trainee" means a staff person who is qualified under section 245I.04, subdivision 6.

(c) "License holder" means an individual, organization, or government entity that was issued a license by the commissioner of human services under this chapter for residential mental health treatment for children with ~~emotional disturbance~~ mental illness according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0580 to 2960.0700, or shelter care services according to Minnesota Rules, parts 2960.0010 to 2960.0120 and 2960.0510 to 2960.0530.

(d) "Mental health professional" means an individual who is qualified under section 245I.04, subdivision 2.

Sec. 53. Minnesota Statutes 2024, section 245A.26, subdivision 2, is amended to read:

Subd. 2. **Scope and applicability.** (a) This section establishes additional licensing requirements for a children's residential facility to provide children's residential crisis stabilization services to a client who is experiencing a mental health crisis and is in need of residential treatment services.

(b) A children's residential facility may provide residential crisis stabilization services only if the facility is licensed to provide:

(1) residential mental health treatment for children with ~~emotional disturbance~~ mental illness according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0580 to 2960.0700; or

(2) shelter care services according to Minnesota Rules, parts 2960.0010 to 2960.0120 and 2960.0510 to 2960.0530.

(c) If a client receives residential crisis stabilization services for 35 days or fewer in a facility licensed according to paragraph (b), clause (1), the facility is not required to complete a diagnostic assessment or treatment plan under Minnesota Rules, part 2960.0180, subpart 2, and part 2960.0600.

(d) If a client receives residential crisis stabilization services for 35 days or fewer in a facility licensed according to paragraph (b), clause (2), the facility is not required to develop a plan for meeting the client's immediate needs under Minnesota Rules, part 2960.0520, subpart 3.

Sec. 54. Minnesota Statutes 2024, section 246C.12, subdivision 4, is amended to read:

Subd. 4. **Staff safety training.** The executive board shall require all staff in mental health and support units at regional treatment centers who have contact with ~~persons~~ children or adults with mental illness ~~or severe emotional disturbance~~ to be appropriately trained in violence reduction and violence prevention and shall establish criteria for such training. Training programs shall be developed with input from consumer advocacy organizations and shall employ violence prevention techniques as preferable to physical interaction.

Sec. 55. Minnesota Statutes 2024, section 252.27, subdivision 1, is amended to read:

Subdivision 1. **County of financial responsibility.** Whenever any child who has a developmental disability, or a physical disability or ~~emotional disturbance~~ mental illness is in 24-hour care outside the home including respite care, in a facility licensed by the commissioner of human services, the cost of services shall be paid by the county of financial responsibility determined pursuant to chapter 256G. If the child's parents or guardians do not reside in this state, the cost shall be paid by the responsible governmental agency in the state from which the child came, by the parents or guardians of the child if they are financially able, or, if no other payment source is available, by the commissioner of human services.

Sec. 56. Minnesota Statutes 2024, section 256B.02, subdivision 11, is amended to read:

Subd. 11. **Related condition.** "Related condition" means a condition:

(1) that is found to be closely related to a developmental disability, including but not limited to cerebral palsy, epilepsy, autism, fetal alcohol spectrum disorder, and Prader-Willi syndrome; and

(2) that meets all of the following criteria:

(i) is severe and chronic;

(ii) results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with developmental disabilities;

(iii) requires treatment or services similar to those required for persons with developmental disabilities;

(iv) is manifested before the person reaches 22 years of age;

(v) is likely to continue indefinitely;

(vi) results in substantial functional limitations in three or more of the following areas of major life activity:

(A) self-care;

(B) understanding and use of language;

(C) learning;

(D) mobility;

(E) self-direction; or

(F) capacity for independent living; and

(vii) is not attributable to mental illness as defined in section 245.462, subdivision 20, or ~~an emotional disturbance as defined in section~~ 245.4871, subdivision 15. For purposes of this item, notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15, "mental illness" does not include autism or other pervasive developmental disorders.

Sec. 57. Minnesota Statutes 2024, section 256B.055, subdivision 12, is amended to read:

Subd. 12. **Children with disabilities.** (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and the child requires a level of care provided in a hospital, nursing facility, or intermediate care facility for persons with developmental disabilities, for

whom home care is appropriate, provided that the cost to medical assistance under this section is not more than the amount that medical assistance would pay for if the child resides in an institution. After the child is determined to be eligible under this section, the commissioner shall review the child's disability under United States Code, title 42, section 1382c(a) and level of care defined under this section no more often than annually and may elect, based on the recommendation of health care professionals under contract with the state medical review team, to extend the review of disability and level of care up to a maximum of four years. The commissioner's decision on the frequency of continuing review of disability and level of care is not subject to administrative appeal under section 256.045. The county agency shall send a notice of disability review to the enrollee six months prior to the date the recertification of disability is due. Nothing in this subdivision shall be construed as affecting other redeterminations of medical assistance eligibility under this chapter and annual cost-effective reviews under this section.

(b) For purposes of this subdivision, "hospital" means an institution as defined in section 144.696, subdivision 3, 144.55, subdivision 3, or Minnesota Rules, part 4640.3600, and licensed pursuant to sections 144.50 to 144.58. For purposes of this subdivision, a child requires a level of care provided in a hospital if the child is determined by the commissioner to need an extensive array of health services, including mental health services, for an undetermined period of time, whose health condition requires frequent monitoring and treatment by a health care professional or by a person supervised by a health care professional, who would reside in a hospital or require frequent hospitalization if these services were not provided, and the daily care needs are more complex than a nursing facility level of care.

A child with serious ~~emotional disturbance~~ mental illness requires a level of care provided in a hospital if the commissioner determines that the individual requires 24-hour supervision because the person exhibits recurrent or frequent suicidal or homicidal ideation or behavior, recurrent or frequent psychosomatic disorders or somatopsychic disorders that may become life threatening, recurrent or frequent severe socially unacceptable behavior associated with psychiatric disorder, ongoing and chronic psychosis or severe, ongoing and chronic developmental problems requiring continuous skilled observation, or severe disabling symptoms for which office-centered outpatient treatment is not adequate, and which overall severely impact the individual's ability to function.

(c) For purposes of this subdivision, "nursing facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable episodes of active disease processes requiring immediate judgment by a licensed nurse. For purposes of this subdivision, a child requires the level of care provided in a nursing facility if the child is determined by the commissioner to meet the requirements of the preadmission screening assessment document under section 256B.0911, adjusted to address age-appropriate standards for children age 18 and under.

(d) For purposes of this subdivision, "intermediate care facility for persons with developmental disabilities" or "ICF/DD" means a program licensed to provide services to persons with developmental disabilities under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota Department of Health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with developmental disabilities who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs. For purposes of this subdivision, a child requires a level of care provided in an ICF/DD if the commissioner finds that the child has a developmental disability in accordance with section 256B.092, is in need of a 24-hour plan of care and active treatment similar to persons with developmental disabilities, and there is a reasonable indication that the child will need ICF/DD services.

(e) For purposes of this subdivision, a person requires the level of care provided in a nursing facility if the person requires 24-hour monitoring or supervision and a plan of mental health treatment because of specific symptoms or functional impairments associated with a serious mental illness or disorder diagnosis, which meet severity criteria for mental health established by the commissioner and published in March 1997 as the Minnesota Mental Health Level of Care for Children and Adolescents with Severe Emotional Disorders.

(f) The determination of the level of care needed by the child shall be made by the commissioner based on information supplied to the commissioner by (1) the parent or guardian, (2) the child's physician or physicians, advanced practice registered nurse or advanced practice registered nurses, or physician assistant or physician assistants, and (3) other professionals as requested by the commissioner. The commissioner shall establish a screening team to conduct the level of care determinations according to this subdivision.

(g) If a child meets the conditions in paragraph (b), (c), (d), or (e), the commissioner must assess the case to determine whether:

(1) the child qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance if residing in a medical institution; and

(2) the cost of medical assistance services for the child, if eligible under this subdivision, would not be more than the cost to medical assistance if the child resides in a medical institution to be determined as follows:

(i) for a child who requires a level of care provided in an ICF/DD, the cost of care for the child in an institution shall be determined using the average payment rate established for the regional treatment centers that are certified as ICF's/DD;

(ii) for a child who requires a level of care provided in an inpatient hospital setting according to paragraph (b), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3520, items F and G; and

(iii) for a child who requires a level of care provided in a nursing facility according to paragraph (c) or (e), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3040, except that the nursing facility average rate shall be adjusted to reflect rates which would be paid for children under age 16. The commissioner may authorize an amount up to the amount medical assistance would pay for a child referred to the commissioner by the preadmission screening team under section 256B.0911.

Sec. 58. Minnesota Statutes 2024, section 256B.0616, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified family peer specialists services, as established in subdivision 2, subject to federal approval, if provided to recipients who have ~~an emotional disturbance~~ a mental illness or ~~severe emotional disturbance~~ serious mental illness under chapter 245, and are provided by a mental health certified family peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 12. A family peer specialist cannot provide services to the peer specialist's family.

Sec. 59. Minnesota Statutes 2024, section 256B.0757, subdivision 2, is amended to read:

Subd. 2. **Eligible individual.** (a) The commissioner may elect to develop health home models in accordance with United States Code, title 42, section 1396w-4.

(b) An individual is eligible for health home services under this section if the individual is eligible for medical assistance under this chapter and has a condition that meets the definition of mental illness as described in section 245.462, subdivision 20, paragraph (a), or ~~emotional disturbance as defined in section~~ 245.4871, subdivision 15, clause (2). The commissioner shall establish criteria for determining continued eligibility.

Sec. 60. Minnesota Statutes 2024, section 256B.0943, subdivision 1, is amended to read:

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

(b) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention to treat a diagnosed ~~emotional disturbance, as defined in section 245.4871, subdivision 15, or a diagnosed~~ mental illness, as defined in section 245.462, subdivision 20, or 245.4871, subdivision 15. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(c) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

(d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

(e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) "Day treatment program" for children means a site-based structured mental health program consisting of psychotherapy for three or more individuals and individual or group skills training provided by a team, under the treatment supervision of a mental health professional.

(g) "Direct service time" means the time that a mental health professional, clinical trainee, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family or providing covered services through telehealth as defined under section 256B.0625, subdivision 3b. Direct service time includes time in which the provider obtains a client's history, develops a client's treatment plan, records individual treatment outcomes, or provides service components of children's therapeutic services and supports. Direct service time does not include time doing work before and after providing direct services, including scheduling or maintaining clinical records.

(h) "Direction of mental health behavioral aide" means the activities of a mental health professional, clinical trainee, or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide must be based on the client's individual treatment plan and meet the requirements in subdivision 6, paragraph (b), clause (7).

~~(i) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.~~

~~(j)~~ (i) "Individual treatment plan" means the plan described in section 245I.10, subdivisions 7 and 8.

~~(k)~~ (j) "Mental health behavioral aide services" means medically necessary one-on-one activities performed by a mental health behavioral aide qualified according to section 245I.04, subdivision 16, to assist a child retain or generalize psychosocial skills as previously trained by a mental health professional, clinical trainee, or mental health practitioner and as described in the child's individual treatment plan and individual behavior plan. Activities involve working directly with the child or child's family as provided in subdivision 9, paragraph (b), clause (4).

~~(l)~~ (k) "Mental health certified family peer specialist" means a staff person who is qualified according to section 245I.04, subdivision 12.

~~(m)~~ (l) "Mental health practitioner" means a staff person who is qualified according to section 245I.04, subdivision 4.

~~(n)~~ (m) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

~~(o)~~ (n) "Mental health service plan development" includes:

(1) development and revision of a child's individual treatment plan; and

(2) administering and reporting standardized outcome measurements approved by the commissioner, as periodically needed to evaluate the effectiveness of treatment.

~~(p)~~ (o) "Mental illness~~,~~ " ~~for persons at least age 18 but under age 21,~~ has the meaning given in section 245.462, subdivision 20, paragraph (a), for persons at least 18 years of age but under 21 years of age, and has the meaning given in section 245.4871, subdivision 15, for children under 18 years of age.

~~(q)~~ (p) "Psychotherapy" means the treatment described in section 256B.0671, subdivision 11.

~~(r)~~ (q) "Rehabilitative services" or "psychiatric rehabilitation services" means interventions to: (1) restore a child or adolescent to an age-appropriate developmental trajectory that had been disrupted by a psychiatric illness; or (2) enable the child to self-monitor, compensate for, cope with, counteract, or replace psychosocial skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Psychiatric rehabilitation services for children combine coordinated psychotherapy to address internal psychological, emotional, and intellectual processing deficits, and skills training to restore personal and social functioning. Psychiatric rehabilitation services establish a progressive series of goals with each achievement building upon a prior achievement.

~~(s)~~ (r) "Skills training" means individual, family, or group training, delivered by or under the supervision of a mental health professional, designed to facilitate the acquisition of psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate developmental trajectory heretofore disrupted by a psychiatric illness or to enable the child to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject to the service delivery requirements under subdivision 9, paragraph (b), clause (2).

~~(t)~~ (s) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

~~(u)~~ (t) "Treatment supervision" means the supervision described in section 245I.06.

Sec. 61. Minnesota Statutes 2024, section 256B.0943, subdivision 3, is amended to read:

Subd. 3. **Determination of client eligibility.** (a) A client's eligibility to receive children's therapeutic services and supports under this section shall be determined based on a standard diagnostic assessment by a mental health professional or a clinical trainee that is performed within one year before the initial start of service and updated as required under section 245I.10, subdivision 2. The standard diagnostic assessment must:

(1) determine whether a child under age 18 has a diagnosis of ~~emotional disturbance~~ mental illness or, if the person is between the ages of 18 and 21, whether the person has a mental illness;

(2) document children's therapeutic services and supports as medically necessary to address an identified disability, functional impairment, and the individual client's needs and goals; and

(3) be used in the development of the individual treatment plan.

(b) Notwithstanding paragraph (a), a client may be determined to be eligible for up to five days of day treatment under this section based on a hospital's medical history and presentation examination of the client.

(c) Children's therapeutic services and supports include development and rehabilitative services that support a child's developmental treatment needs.

Sec. 62. Minnesota Statutes 2024, section 256B.0943, subdivision 9, is amended to read:

Subd. 9. **Service delivery criteria.** (a) In delivering services under this section, a certified provider entity must ensure that:

(1) the provider's caseload size should reasonably enable the provider to play an active role in service planning, monitoring, and delivering services to meet the client's and client's family's needs, as specified in each client's individual treatment plan;

(2) site-based programs, including day treatment programs, provide staffing and facilities to ensure the client's health, safety, and protection of rights, and that the programs are able to implement each client's individual treatment plan; and

(3) a day treatment program is provided to a group of clients by a team under the treatment supervision of a mental health professional. The day treatment program must be provided in and by: (i) an outpatient hospital accredited by the Joint Commission on Accreditation of Health Organizations and licensed under sections 144.50 to 144.55; (ii) a community mental health center under section 245.62; or (iii) an entity that is certified under subdivision 4 to operate a program that meets the requirements of section 245.4884, subdivision 2, and Minnesota Rules, parts 9505.0170 to 9505.0475. The day treatment program must stabilize the client's mental health status while developing and improving the client's independent living and socialization skills. The goal of the day treatment program must be to reduce or relieve the effects of mental illness and provide training to enable the client to live in the community. The remainder of the structured treatment program may include patient and/or family or group psychotherapy, and individual or group skills training, if included in the client's individual treatment plan. Day treatment programs are not part of inpatient or residential treatment services. When a day treatment group that meets the minimum group size requirement temporarily falls below the minimum group size because of a member's temporary absence, medical assistance covers a group session conducted for the group members in attendance. A day treatment program may provide fewer than the minimally required hours for a particular child during a billing period in which the child is transitioning into, or out of, the program.

(b) To be eligible for medical assistance payment, a provider entity must deliver the service components of children's therapeutic services and supports in compliance with the following requirements:

(1) psychotherapy to address the child's underlying mental health disorder must be documented as part of the child's ongoing treatment. A provider must deliver or arrange for medically necessary psychotherapy unless the child's parent or caregiver chooses not to receive it or the provider determines that psychotherapy is no longer medically necessary. When a provider determines that psychotherapy is no longer medically necessary, the provider must update required documentation, including but not limited to the individual treatment plan, the child's medical record, or other authorizations, to include the determination. When a provider determines that a child needs psychotherapy but psychotherapy cannot be delivered due to a shortage of licensed mental health professionals in the child's community, the provider must document the lack of access in the child's medical record;

(2) individual, family, or group skills training is subject to the following requirements:

(i) a mental health professional, clinical trainee, or mental health practitioner shall provide skills training;

(ii) skills training delivered to a child or the child's family must be targeted to the specific deficits or maladaptations of the child's mental health disorder and must be prescribed in the child's individual treatment plan;

(iii) group skills training may be provided to multiple recipients who, because of the nature of their emotional, behavioral, or social dysfunction, can derive mutual benefit from interaction in a group setting, which must be staffed as follows:

(A) one mental health professional, clinical trainee, or mental health practitioner must work with a group of three to eight clients; or

(B) any combination of two mental health professionals, clinical trainees, or mental health practitioners must work with a group of nine to 12 clients;

(iv) a mental health professional, clinical trainee, or mental health practitioner must have taught the psychosocial skill before a mental health behavioral aide may practice that skill with the client; and

(v) for group skills training, when a skills group that meets the minimum group size requirement temporarily falls below the minimum group size because of a group member's temporary absence, the provider may conduct the session for the group members in attendance;

(3) crisis planning to a child and family must include development of a written plan that anticipates the particular factors specific to the child that may precipitate a psychiatric crisis for the child in the near future. The written plan must document actions that the family should be prepared to take to resolve or stabilize a crisis, such as advance arrangements for direct intervention and support services to the child and the child's family. Crisis planning must include preparing resources designed to address abrupt or substantial changes in the functioning of the child or the child's family when sudden change in behavior or a loss of usual coping mechanisms is observed, or the child begins to present a danger to self or others;

(4) mental health behavioral aide services must be medically necessary treatment services, identified in the child's individual treatment plan.

To be eligible for medical assistance payment, mental health behavioral aide services must be delivered to a child who has been diagnosed with ~~an emotional disturbance or~~ a mental illness, as provided in subdivision 1, paragraph (a). The mental health behavioral aide must document the delivery of services in written progress notes. Progress notes must reflect implementation of the treatment strategies, as performed by the mental health behavioral aide and the child's responses to the treatment strategies; and

(5) mental health service plan development must be performed in consultation with the child's family and, when appropriate, with other key participants in the child's life by the child's treating mental health professional or clinical trainee or by a mental health practitioner and approved by the treating mental health professional. Treatment plan drafting consists of development, review, and revision by face-to-face or electronic communication. The provider must document events, including the time spent with the family and other key participants in the child's life to approve the individual treatment plan. Medical assistance covers service plan development before completion of the child's individual treatment plan. Service plan development is covered only if a treatment plan is completed for the child. If upon review it is determined that a treatment plan was not completed for the child, the commissioner shall recover the payment for the service plan development.

Sec. 63. Minnesota Statutes 2024, section 256B.0943, subdivision 12, is amended to read:

Subd. 12. **Excluded services.** The following services are not eligible for medical assistance payment as children's therapeutic services and supports:

(1) service components of children's therapeutic services and supports simultaneously provided by more than one provider entity unless prior authorization is obtained;

(2) treatment by multiple providers within the same agency at the same clock time, unless one service is delivered to the child and the other service is delivered to the child's family or treatment team without the child present;

(3) children's therapeutic services and supports provided in violation of medical assistance policy in Minnesota Rules, part 9505.0220;

(4) mental health behavioral aide services provided by a personal care assistant who is not qualified as a mental health behavioral aide and employed by a certified children's therapeutic services and supports provider entity;

(5) service components of CTSS that are the responsibility of a residential or program license holder, including foster care providers under the terms of a service agreement or administrative rules governing licensure; and

(6) adjunctive activities that may be offered by a provider entity but are not otherwise covered by medical assistance, including:

(i) a service that is primarily recreation oriented or that is provided in a setting that is not medically supervised. This includes sports activities, exercise groups, activities such as craft hours, leisure time, social hours, meal or snack time, trips to community activities, and tours;

(ii) a social or educational service that does not have or cannot reasonably be expected to have a therapeutic outcome related to the client's ~~emotional disturbance~~ mental illness;

(iii) prevention or education programs provided to the community; and

(iv) treatment for clients with primary diagnoses of alcohol or other drug abuse.

Sec. 64. Minnesota Statutes 2024, section 256B.0943, subdivision 13, is amended to read:

Subd. 13. **Exception to excluded services.** Notwithstanding subdivision 12, up to 15 hours of children's therapeutic services and supports provided within a six-month period to a child with ~~severe emotional disturbance~~ serious mental illness who is residing in a hospital; a residential treatment facility licensed under Minnesota Rules, parts 2960.0580 to 2960.0690; a psychiatric residential treatment facility under section 256B.0625, subdivision 45a; a regional treatment center; or other institutional group setting or who is participating in a program of partial hospitalization are eligible for medical assistance payment if part of the discharge plan.

Sec. 65. Minnesota Statutes 2024, section 256B.0945, subdivision 1, is amended to read:

Subdivision 1. **Residential services; provider qualifications.** (a) Counties must arrange to provide residential services for children with ~~severe emotional disturbance~~ serious mental illness according to sections 245.4882, 245.4885, and this section.

(b) Services must be provided by a facility that is licensed according to section 245.4882 and administrative rules promulgated thereunder, and under contract with the county.

(c) Eligible service costs may be claimed for a facility that is located in a state that borders Minnesota if:

(1) the facility is the closest facility to the child's home, providing the appropriate level of care; and

(2) the commissioner of human services has completed an inspection of the out-of-state program according to the interagency agreement with the commissioner of corrections under section 260B.198, subdivision 11, paragraph

(b), and the program has been certified by the commissioner of corrections under section 260B.198, subdivision 11, paragraph (a), to substantially meet the standards applicable to children's residential mental health treatment programs under Minnesota Rules, chapter 2960. Nothing in this section requires the commissioner of human services to enforce the background study requirements under chapter 245C or the requirements related to prevention and investigation of alleged maltreatment under section 626.557 or chapter 260E. Complaints received by the commissioner of human services must be referred to the out-of-state licensing authority for possible follow-up.

(d) Notwithstanding paragraph (b), eligible service costs may be claimed for an out-of-state inpatient treatment facility if:

(1) the facility specializes in providing mental health services to children who are deaf, deafblind, or hard-of-hearing and who use American Sign Language as their first language;

(2) the facility is licensed by the state in which it is located; and

(3) the state in which the facility is located is a member state of the Interstate Compact on Mental Health.

Sec. 66. Minnesota Statutes 2024, section 256B.0946, subdivision 6, is amended to read:

Subd. 6. **Excluded services.** (a) Services in clauses (1) to (7) are not covered under this section and are not eligible for medical assistance payment as components of children's intensive behavioral health services, but may be billed separately:

(1) inpatient psychiatric hospital treatment;

(2) mental health targeted case management;

(3) partial hospitalization;

(4) medication management;

(5) children's mental health day treatment services;

(6) crisis response services under section 256B.0624;

(7) transportation; and

(8) mental health certified family peer specialist services under section 256B.0616.

(b) Children receiving intensive behavioral health services are not eligible for medical assistance reimbursement for the following services while receiving children's intensive behavioral health services:

(1) psychotherapy and skills training components of children's therapeutic services and supports under section 256B.0943;

(2) mental health behavioral aide services as defined in section 256B.0943, subdivision 1, paragraph ~~(l)~~ (j);

(3) home and community-based waiver services;

(4) mental health residential treatment; and

(5) medical assistance room and board rate, as defined in section 256B.056, subdivision 5d.

Sec. 67. Minnesota Statutes 2024, section 256B.0947, subdivision 3a, is amended to read:

Subd. 3a. **Required service components.** (a) Intensive nonresidential rehabilitative mental health services, supports, and ancillary activities that are covered by a single daily rate per client must include the following, as needed by the individual client:

(1) individual, family, and group psychotherapy;

(2) individual, family, and group skills training, as defined in section 256B.0943, subdivision 1, paragraph ~~(u)~~ (r);

(3) crisis planning as defined in section 245.4871, subdivision 9a;

(4) medication management provided by a physician, an advanced practice registered nurse with certification in psychiatric and mental health care, or a physician assistant;

(5) mental health case management as provided in section 256B.0625, subdivision 20;

(6) medication education services as defined in this section;

(7) care coordination by a client-specific lead worker assigned by and responsible to the treatment team;

(8) psychoeducation of and consultation and coordination with the client's biological, adoptive, or foster family and, in the case of a youth living independently, the client's immediate nonfamilial support network;

(9) clinical consultation to a client's employer or school or to other service agencies or to the courts to assist in managing the mental illness or co-occurring disorder and to develop client support systems;

(10) coordination with, or performance of, crisis intervention and stabilization services as defined in section 256B.0624;

(11) transition services;

(12) co-occurring substance use disorder treatment as defined in section 245I.02, subdivision 11; and

(13) housing access support that assists clients to find, obtain, retain, and move to safe and adequate housing. Housing access support does not provide monetary assistance for rent, damage deposits, or application fees.

(b) The provider shall ensure and document the following by means of performing the required function or by contracting with a qualified person or entity: client access to crisis intervention services, as defined in section 256B.0624, and available 24 hours per day and seven days per week.

Sec. 68. Minnesota Statutes 2024, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **Alternative services; elderly persons and persons with a disability.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and persons with disabilities as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations and may contract with Medicare-approved special needs plans that are offered by a demonstration

provider or by an entity that is directly or indirectly wholly owned or controlled by a demonstration provider to provide Medicaid services. Medicare funds and services shall be administered according to the terms and conditions of the federal contract and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to persons enrolling in demonstrations under this section. All enforcement and rulemaking powers available under chapters 62D, 62M, and 62Q are hereby granted to the commissioner of health with respect to Medicare-approved special needs plans with which the commissioner contracts to provide Medicaid services under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly persons with a disability, or persons with a disability only. For persons with a primary diagnosis of developmental disability, serious and persistent mental illness, or serious ~~emotional disturbance~~ mental illness in children, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with a primary diagnosis of developmental disabilities, serious and persistent mental illness, or serious ~~emotional disturbance,~~ mental illness in children without approval of the county board of the county in which the demonstration is being implemented.

(b) MS 2009 Supplement [Expired, 2003 c 47 s 4; 2007 c 147 art 7 s 60]

(c) Before implementation of a demonstration project for persons with a disability, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.

(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community access for disability inclusion or who are already eligible for Medicaid but meet level of care criteria for receipt of waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the state. Until July 1, 2009, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. Notwithstanding whether expansion occurs under this paragraph, in determining MnDHO payment rates and risk adjustment methods, the commissioner must consider the methods used to determine county allocations for home and community-based program participants. If necessary to reduce MnDHO rates to comply with the provision regarding MnDHO costs for home and community-based services, the commissioner shall achieve the reduction by maintaining the base rate for contract year 2010 for services provided under the community access for disability inclusion waiver at the same level as for contract year 2009. The commissioner may apply other reductions to MnDHO rates to implement decreases in provider payment rates required by state law. Effective January 1, 2011, enrollment and operation of the MnDHO program in effect during 2010 shall cease. The commissioner may reopen the program provided all applicable conditions of this section are met. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans to reopen MnDHO projects shall be presented to the chairs of the house of representatives and senate committees with jurisdiction over health and human services policy and finance prior to implementation.

(g) Notwithstanding section 256B.0621, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government.

Sec. 69. Minnesota Statutes 2024, section 256B.77, subdivision 7a, is amended to read:

Subd. 7a. **Eligible individuals.** (a) Persons are eligible for the demonstration project as provided in this subdivision.

(b) "Eligible individuals" means those persons living in the demonstration site who are eligible for medical assistance and are disabled based on a disability determination under section 256B.055, subdivisions 7 and 12, or who are eligible for medical assistance and have been diagnosed as having:

(1) serious and persistent mental illness as defined in section 245.462, subdivision 20;

(2) ~~severe emotional disturbance~~ serious mental illness as defined in section 245.4871, subdivision 6; or

(3) developmental disability, or being a person with a developmental disability as defined in section 252A.02, or a related condition as defined in section 256B.02, subdivision 11.

Other individuals may be included at the option of the county authority based on agreement with the commissioner.

(c) Eligible individuals include individuals in excluded time status, as defined in chapter 256G. Enrollees in excluded time at the time of enrollment shall remain in excluded time status as long as they live in the demonstration site and shall be eligible for 90 days after placement outside the demonstration site if they move to excluded time status in a county within Minnesota other than their county of financial responsibility.

(d) A person who is a sexual psychopathic personality as defined in section 253D.02, subdivision 15, or a sexually dangerous person as defined in section 253D.02, subdivision 16, is excluded from enrollment in the demonstration project.

Sec. 70. Minnesota Statutes 2024, section 260B.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The local social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this subdivision. The team, which may be the team constituted under section 245.4885 or 256B.092 or chapter 254B, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. The team shall involve parents or guardians in the screening process as appropriate. The team may be the same team as defined in section 260C.157, subdivision 3.

(b) If the court, prior to~~,~~ or as part of~~,~~ a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness, and residential placement is consistent with section 260.012, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a post-dispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall notify the county welfare agency. The county's juvenile treatment screening team must either:

(i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or

(ii) elect not to screen a given case, and notify the court of that decision within three working days.

(c) If the screening team has elected to screen and evaluate the child, the child may not be placed for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

Sec. 71. Minnesota Statutes 2024, section 260C.007, subdivision 16, is amended to read:

Subd. 16. **~~Emotionally disturbed~~ Mental illness.** "~~Emotionally disturbed~~ Mental illness" ~~means emotional disturbance as described~~ has the meaning given in section 245.4871, subdivision 15.

Sec. 72. Minnesota Statutes 2024, section 260C.007, subdivision 26d, is amended to read:

Subd. 26d. **Qualified residential treatment program.** "Qualified residential treatment program" means a children's residential treatment program licensed under chapter 245A or licensed or approved by a tribe that is approved to receive foster care maintenance payments under section 142A.418 that:

(1) has a trauma-informed treatment model designed to address the needs of children with serious emotional or behavioral disorders or disturbances or mental illnesses;

(2) has registered or licensed nursing staff and other licensed clinical staff who:

(i) provide care within the scope of their practice; and

(ii) are available 24 hours per day and seven days per week;

(3) is accredited by any of the following independent, nonprofit organizations: the Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the Council on Accreditation (COA), or any other nonprofit accrediting organization approved by the United States Department of Health and Human Services;

(4) if it is in the child's best interests, facilitates participation of the child's family members in the child's treatment programming consistent with the child's out-of-home placement plan under sections 260C.212, subdivision 1, and 260C.708;

(5) facilitates outreach to family members of the child, including siblings;

(6) documents how the facility facilitates outreach to the child's parents and relatives, as well as documents the child's parents' and other relatives' contact information;

(7) documents how the facility includes family members in the child's treatment process, including after the child's discharge, and how the facility maintains the child's sibling connections; and

(8) provides the child and child's family with discharge planning and family-based aftercare support for at least six months after the child's discharge. Aftercare support may include clinical care consultation under section 256B.0671, subdivision 7, and mental health certified family peer specialist services under section 256B.0616.

Sec. 73. Minnesota Statutes 2024, section 260C.007, subdivision 27b, is amended to read:

Subd. 27b. **Residential treatment facility.** "Residential treatment facility" means a 24-hour-a-day program that provides treatment for children with ~~emotional disturbance~~ mental illness, consistent with section 245.4871, subdivision 32, and includes a licensed residential program specializing in caring 24 hours a day for children with a developmental delay or related condition. A residential treatment facility does not include a psychiatric residential treatment facility under section 256B.0941 or a family foster home as defined in section 260C.007, subdivision 16b.

Sec. 74. Minnesota Statutes 2024, section 260C.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings under this chapter and chapter 260D, for a child to receive treatment for ~~an emotional disturbance~~ a mental illness, ~~a~~ developmental disability, or related condition in a residential treatment facility licensed by the commissioner of human services under chapter 245A, or licensed or approved by a tribe. A screening team is not required for a child to be in: (1) a residential facility specializing in

prenatal, postpartum, or parenting support; (2) a facility specializing in high-quality residential care and supportive services to children and youth who have been or are at risk of becoming victims of sex trafficking or commercial sexual exploitation; (3) supervised settings for youth who are 18 years of age or older and living independently; or (4) a licensed residential family-based treatment facility for substance abuse consistent with section 260C.190. Screenings are also not required when a child must be placed in a facility due to an emotional crisis or other mental health emergency.

(b) The responsible social services agency shall conduct screenings within 15 days of a request for a screening, unless the screening is for the purpose of residential treatment and the child is enrolled in a prepaid health program under section 256B.69, in which case the agency shall conduct the screening within ten working days of a request. The responsible social services agency shall convene the juvenile treatment screening team, which may be constituted under section 245.4885, 254B.05, or 256B.092. The team shall consist of social workers; persons with expertise in the treatment of juveniles who are emotionally disturbed, chemically dependent, or have a developmental disability; and the child's parent, guardian, or permanent legal custodian. The team may include the child's relatives as defined in section 260C.007, subdivisions 26b and 27, the child's foster care provider, and professionals who are a resource to the child's family such as teachers, medical or mental health providers, and clergy, as appropriate, consistent with the family and permanency team as defined in section 260C.007, subdivision 16a. Prior to forming the team, the responsible social services agency must consult with the child's parents, the child if the child is age 14 or older, and, if applicable, the child's tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals. This provision does not apply to paragraph (c).

(c) If the agency provides notice to tribes under section 260.761, and the child screened is an Indian child, the responsible social services agency must make a rigorous and concerted effort to include a designated representative of the Indian child's tribe on the juvenile treatment screening team, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12. The provisions of the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835, apply to this section.

(d) If the court, prior to, or as part of, a final disposition or other court order, proposes to place a child with ~~an emotional disturbance or~~ a mental illness, developmental disability, or related condition in residential treatment, the responsible social services agency must conduct a screening. If the team recommends treating the child in a qualified residential treatment program, the agency must follow the requirements of sections 260C.70 to 260C.714.

The court shall ascertain whether the child is an Indian child and shall notify the responsible social services agency and, if the child is an Indian child, shall notify the Indian child's tribe as paragraph (c) requires.

(e) When the responsible social services agency is responsible for placing and caring for the child and the screening team recommends placing a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, the agency must: (1) begin the assessment and processes required in section 260C.704 without delay; and (2) conduct a relative search according to section 260C.221 to assemble the child's family and permanency team under section 260C.706. Prior to notifying relatives regarding the family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is age 14 or older, and, if applicable, the child's tribe to ensure that the agency is providing notice to individuals who will act in the child's best interests. The child and the child's parents may identify a culturally competent qualified individual to complete the child's assessment. The agency shall make efforts to refer the assessment to the identified qualified individual. The assessment may not be delayed for the purpose of having the assessment completed by a specific qualified individual.

(f) When a screening team determines that a child does not need treatment in a qualified residential treatment program, the screening team must:

(1) document the services and supports that will prevent the child's foster care placement and will support the child remaining at home;

(2) document the services and supports that the agency will arrange to place the child in a family foster home; or

(3) document the services and supports that the agency has provided in any other setting.

(g) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for ~~an emotional disturbance~~ a mental illness, a developmental disability, or co-occurring ~~emotional disturbance~~ mental illness and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

(h) The responsible social services agency must conduct and document the screening in a format approved by the commissioner of human services.

Sec. 75. Minnesota Statutes 2024, section 260C.201, subdivision 1, is amended to read:

Subdivision 1. **Dispositions.** (a) If the court finds that the child is in need of protection or services or neglected and in foster care, the court shall enter an order making any of the following dispositions of the case:

(1) place the child under the protective supervision of the responsible social services agency or child-placing agency in the home of a parent of the child under conditions prescribed by the court directed to the correction of the child's need for protection or services:

(i) the court may order the child into the home of a parent who does not otherwise have legal custody of the child, however, an order under this section does not confer legal custody on that parent;

(ii) if the court orders the child into the home of a father who is not adjudicated, the father must cooperate with paternity establishment proceedings regarding the child in the appropriate jurisdiction as one of the conditions prescribed by the court for the child to continue in the father's home; and

(iii) the court may order the child into the home of a noncustodial parent with conditions and may also order both the noncustodial and the custodial parent to comply with the requirements of a case plan under subdivision 2; or

(2) transfer legal custody to one of the following:

(i) a child-placing agency; or

(ii) the responsible social services agency. In making a foster care placement of a child whose custody has been transferred under this subdivision, the agency shall make an individualized determination of how the placement is in the child's best interests using the placement consideration order for relatives and the best interest factors in section 260C.212, subdivision 2, and may include a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190; or

(3) order a trial home visit without modifying the transfer of legal custody to the responsible social services agency under clause (2). Trial home visit means the child is returned to the care of the parent or guardian from whom the child was removed for a period not to exceed six months. During the period of the trial home visit, the responsible social services agency:

(i) shall continue to have legal custody of the child, which means that the agency may see the child in the parent's home, at school, in a child care facility, or other setting as the agency deems necessary and appropriate;

(ii) shall continue to have the ability to access information under section 260C.208;

(iii) shall continue to provide appropriate services to both the parent and the child during the period of the trial home visit;

(iv) without previous court order or authorization, may terminate the trial home visit in order to protect the child's health, safety, or welfare and may remove the child to foster care;

(v) shall advise the court and parties within three days of the termination of the trial home visit when a visit is terminated by the responsible social services agency without a court order; and

(vi) shall prepare a report for the court when the trial home visit is terminated whether by the agency or court order that describes the child's circumstances during the trial home visit and recommends appropriate orders, if any, for the court to enter to provide for the child's safety and stability. In the event a trial home visit is terminated by the agency by removing the child to foster care without prior court order or authorization, the court shall conduct a hearing within ten days of receiving notice of the termination of the trial home visit by the agency and shall order disposition under this subdivision or commence permanency proceedings under sections 260C.503 to 260C.515. The time period for the hearing may be extended by the court for good cause shown and if it is in the best interests of the child as long as the total time the child spends in foster care without a permanency hearing does not exceed 12 months;

(4) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a physical or mental disability or ~~emotional disturbance~~ a mental illness as defined in section 245.4871, subdivision 15, the court may order the child's parent, guardian, or custodian to provide it. The court may order the child's health plan company to provide mental health services to the child. Section 62Q.535 applies to an order for mental health services directed to the child's health plan company. If the health plan, parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. Absent specific written findings by the court that the child's disability is the result of abuse or neglect by the child's parent or guardian, the court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(5) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to $100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child or of public safety that the child's driver's license or instruction permit be canceled, the court may order the commissioner of public safety to cancel the child's license or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, order the commissioner of public safety to allow the child to apply for a license or permit, and the commissioner shall so authorize;

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

To the extent practicable, the court shall enter a disposition order the same day it makes a finding that a child is in need of protection or services or neglected and in foster care, but in no event more than 15 days after the finding unless the court finds that the best interests of the child will be served by granting a delay. If the child was under eight years of age at the time the petition was filed, the disposition order must be entered within ten days of the finding and the court may not grant a delay unless good cause is shown and the court finds the best interests of the child will be served by the delay.

(c) If a child who is 14 years of age or older is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a school attendance review board or county attorney mediation program under section 260A.06 or 260A.07, the court shall order a cancellation or denial of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th birthday.

(d) In the case of a child adjudicated in need of protection or services because the child has committed domestic abuse and been ordered excluded from the child's parent's home, the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing to provide an alternative safe living arrangement for the child as defined in paragraph (f).

(e) When a parent has complied with a case plan ordered under subdivision 6 and the child is in the care of the parent, the court may order the responsible social services agency to monitor the parent's continued ability to maintain the child safely in the home under such terms and conditions as the court determines appropriate under the circumstances.

(f) For the purposes of this subdivision, "alternative safe living arrangement" means a living arrangement for a child proposed by a petitioning parent or guardian if a court excludes the minor from the parent's or guardian's home that is separate from the victim of domestic abuse and safe for the child respondent. A living arrangement proposed by a petitioning parent or guardian is presumed to be an alternative safe living arrangement absent information to the contrary presented to the court. In evaluating any proposed living arrangement, the court shall consider whether the arrangement provides the child with necessary food, clothing, shelter, and education in a safe environment. Any proposed living arrangement that would place the child in the care of an adult who has been physically or sexually violent is presumed unsafe.

Sec. 76. Minnesota Statutes 2024, section 260C.201, subdivision 2, is amended to read:

Subd. 2. **Written findings.** (a) Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition and case plan ordered and shall also set forth in writing the following information:

(1) why the best interests and safety of the child are served by the disposition and case plan ordered;

(2) what alternative dispositions or services under the case plan were considered by the court and why such dispositions or services were not appropriate in the instant case;

(3) when legal custody of the child is transferred, the appropriateness of the particular placement made or to be made by the placing agency using the relative and sibling placement considerations and best interest factors in section 260C.212, subdivision 2, or the appropriateness of a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190;

(4) whether reasonable efforts to finalize the permanent plan for the child consistent with section 260.012 were made including reasonable efforts:

(i) to prevent the child's placement and to reunify the child with the parent or guardian from whom the child was removed at the earliest time consistent with the child's safety. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal or that reasonable efforts were not required under section 260.012 or 260C.178, subdivision 1;

(ii) to identify and locate any noncustodial or nonresident parent of the child and to assess such parent's ability to provide day-to-day care of the child, and, where appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide day-to-day care of the child as required under section 260C.219, unless such services are not required under section 260.012 or 260C.178, subdivision 1. The court's findings must include a description of the agency's efforts to:

(A) identify and locate the child's noncustodial or nonresident parent;

(B) assess the noncustodial or nonresident parent's ability to provide day-to-day care of the child; and

(C) if appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide the child's day-to-day care, including efforts to engage the noncustodial or nonresident parent in assuming care and responsibility of the child;

(iii) to make the diligent search for relatives and provide the notices required under section 260C.221; a finding made pursuant to a hearing under section 260C.202 that the agency has made diligent efforts to conduct a relative search and has appropriately engaged relatives who responded to the notice under section 260C.221 and other relatives, who came to the attention of the agency after notice under section 260C.221 was sent, in placement and case planning decisions fulfills the requirement of this item;

(iv) to identify and make a foster care placement of the child, considering the order in section 260C.212, subdivision 2, paragraph (a), in the home of an unlicensed relative, according to the requirements of section 142B.06, a licensed relative, or other licensed foster care provider, who will commit to being the permanent legal parent or custodian for the child in the event reunification cannot occur, but who will actively support the reunification plan for the child. If the court finds that the agency has not appropriately considered relatives for placement of the child, the court shall order the agency to comply with section 260C.212, subdivision 2, paragraph (a). The court may order the agency to continue considering relatives for placement of the child regardless of the child's current placement setting; and

(v) to place siblings together in the same home or to ensure visitation is occurring when siblings are separated in foster care placement and visitation is in the siblings' best interests under section 260C.212, subdivision 2, paragraph (d); and

(5) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a mental disability or ~~emotional disturbance~~ a mental illness as defined in section 245.4871, subdivision 15, the written findings shall also set forth:

(i) whether the child has mental health needs that must be addressed by the case plan;

(ii) what consideration was given to the diagnostic and functional assessments performed by the child's mental health professional and to health and mental health care professionals' treatment recommendations;

(iii) what consideration was given to the requests or preferences of the child's parent or guardian with regard to the child's interventions, services, or treatment; and

(iv) what consideration was given to the cultural appropriateness of the child's treatment or services.

(b) If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(c) If the child has been identified by the responsible social services agency as the subject of concurrent permanency planning, the court shall review the reasonable efforts of the agency to develop a permanency plan for the child that includes a primary plan that is for reunification with the child's parent or guardian and a secondary plan that is for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner.

Sec. 77. Minnesota Statutes 2024, section 260C.301, subdivision 4, is amended to read:

Subd. 4. **Current foster care children.** Except for cases where the child is in placement due solely to the child's developmental disability or ~~emotional disturbance~~ a mental illness, where custody has not been transferred to the responsible social services agency, and where the court finds compelling reasons to continue placement, the county attorney shall file a termination of parental rights petition or a petition to transfer permanent legal and physical custody to a relative under section 260C.515, subdivision 4, for all children who have been in out-of-home care for 15 of the most recent 22 months. This requirement does not apply if there is a compelling reason approved by the court for determining that filing a termination of parental rights petition or other permanency petition would not be in the best interests of the child or if the responsible social services agency has not provided reasonable efforts necessary for the safe return of the child, if reasonable efforts are required.

Sec. 78. Minnesota Statutes 2024, section 260D.01, is amended to read:

260D.01 CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

(a) Sections 260D.01 to 260D.10, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the responsible social services agency to a child and family in foster care contained in chapter 260C not inconsistent with this chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under sections 256B.092 and 260C.157 and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for ~~an emotional disturbance or~~ a mental illness, developmental disability, or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to ~~emotional disturbance or~~ a mental illness, developmental disability, or ~~a~~ related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child;

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the child's diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the child by the responsible social services agency's screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016; and

(5) includes the requirements for a child's placement in sections 260C.70 to 260C.714, when the juvenile treatment screening team recommends placing a child in a qualified residential treatment program, except as modified by this chapter.

(d) This chapter does not apply when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's ~~emotional disturbance or~~ mental illness, developmental disability, or related condition. When there is a determination under chapter 260E that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's ~~emotional disturbance or~~ mental illness, developmental disability, or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure that a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires out-of-home placement and the child cannot be maintained in the home of the parent; and

(3) to ensure that the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, when necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

(1) actively participating in the planning and provision of educational services, medical, and dental care for the child;

(2) actively planning and participating with the agency and the foster care facility for the child's treatment needs;

(3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community;

(4) engaging with the responsible social services agency to ensure that the family and permanency team under section 260C.706 consists of appropriate family members. For purposes of voluntary placement of a child in foster care for treatment under chapter 260D, prior to forming the child's family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals unless the individual is a treating professional or an important connection to the youth as outlined in the case or crisis plan; and

(5) for a voluntary placement under this chapter in a qualified residential treatment program, as defined in section 260C.007, subdivision 26d, for purposes of engaging in a relative search as provided in section 260C.221, the county agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which adult relatives the county agency should notify. If the child, child's parents, or legal guardians raise concerns about specific relatives, the county agency should not notify those relatives.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply.

Sec. 79. Minnesota Statutes 2024, section 260D.02, subdivision 5, is amended to read:

Subd. 5. **Child in voluntary foster care for treatment.** "Child in voluntary foster care for treatment" means a child with ~~emotional disturbance~~ a mental illness or developmental disability~~,~~ or who has a related condition and is in foster care under a voluntary foster care agreement between the child's parent and the agency due to concurrence between the agency and the parent when it is determined that foster care is medically necessary:

(1) due to a determination by the agency's screening team based on its review of the diagnostic and functional assessment under section 245.4885; or

(2) due to a determination by the agency's screening team under section 256B.092 and Minnesota Rules, parts 9525.0004 to 9525.0016.

A child is not in voluntary foster care for treatment under this chapter when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than the child's ~~emotional or~~ mental illness, developmental disability, or related condition.

Sec. 80. Minnesota Statutes 2024, section 260D.02, subdivision 9, is amended to read:

Subd. 9. **~~Emotional disturbance~~ Mental illness.** "~~Emotional disturbance~~ Mental illness" ~~means emotional disturbance as described~~ has the meaning given in section 245.4871, subdivision 15.

Sec. 81. Minnesota Statutes 2024, section 260D.03, subdivision 1, is amended to read:

Subdivision 1. **Voluntary foster care.** When the agency's screening team, based upon the diagnostic and functional assessment under section 245.4885 or medical necessity screenings under section 256B.092, subdivision 7, determines the child's need for treatment due to ~~emotional disturbance or~~ a mental illness, developmental disability, or related condition requires foster care placement of the child, a voluntary foster care agreement between the child's parent and the agency gives the agency legal authority to place the child in foster care.

Sec. 82. Minnesota Statutes 2024, section 260D.04, is amended to read:

260D.04 REQUIRED INFORMATION FOR A CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

An agency with authority to place a child in voluntary foster care for treatment due to ~~emotional disturbance or~~ a mental illness, developmental disability, or related condition~~,~~ shall inform the child, age 12 or older, of the following:

(1) the child has the right to be consulted in the preparation of the out-of-home placement plan required under section 260C.212, subdivision 1, and the administrative review required under section 260C.203;

(2) the child has the right to visit the parent and the right to visit the child's siblings as determined safe and appropriate by the parent and the agency;

(3) if the child disagrees with the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information about the nature of the child's disagreement and, to the extent possible, the agency's understanding of the basis of the child's disagreement in the information provided to the court in the report required under section 260D.06; and

(4) the child has the rights established under Minnesota Rules, part 2960.0050, as a resident of a facility licensed by the state.

Sec. 83. Minnesota Statutes 2024, section 260D.06, subdivision 2, is amended to read:

Subd. 2. **Agency report to court; court review.** The agency shall obtain judicial review by reporting to the court according to the following procedures:

(a) A written report shall be forwarded to the court within 165 days of the date of the voluntary placement agreement. The written report shall contain or have attached:

(1) a statement of facts that necessitate the child's foster care placement;

(2) the child's name, date of birth, race, gender, and current address;

(3) the names, race, date of birth, residence, and post office addresses of the child's parents or legal custodian;

(4) a statement regarding the child's eligibility for membership or enrollment in an Indian tribe and the agency's compliance with applicable provisions of sections 260.751 to 260.835;

(5) the names and addresses of the foster parents or chief administrator of the facility in which the child is placed, if the child is not in a family foster home or group home;

(6) a copy of the out-of-home placement plan required under section 260C.212, subdivision 1;

(7) a written summary of the proceedings of any administrative review required under section 260C.203;

(8) evidence as specified in section 260C.712 when a child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d; and

(9) any other information the agency, parent or legal custodian, the child or the foster parent, or other residential facility wants the court to consider.

(b) In the case of a child in placement due to ~~emotional disturbance~~ a mental illness, the written report shall include as an attachment, the child's individual treatment plan developed by the child's treatment professional, as provided in section 245.4871, subdivision 21, or the child's standard written plan, as provided in section 125A.023, subdivision 3, paragraph (e).

(c) In the case of a child in placement due to developmental disability or a related condition, the written report shall include as an attachment, the child's individual service plan, as provided in section 256B.092, subdivision 1b; the child's individual program plan, as provided in Minnesota Rules, part 9525.0004, subpart 11; the child's waiver care plan; or the child's standard written plan, as provided in section 125A.023, subdivision 3, paragraph (e).

(d) The agency must inform the child, age 12 or older, the child's parent, and the foster parent or foster care facility of the reporting and court review requirements of this section and of their right to submit information to the court:

(1) if the child or the child's parent or the foster care provider wants to send information to the court, the agency shall advise those persons of the reporting date and the date by which the agency must receive the information they want forwarded to the court so the agency is timely able submit it with the agency's report required under this subdivision;

(2) the agency must also inform the child, age 12 or older, the child's parent, and the foster care facility that they have the right to be heard in person by the court and how to exercise that right;

(3) the agency must also inform the child, age 12 or older, the child's parent, and the foster care provider that an in-court hearing will be held if requested by the child, the parent, or the foster care provider; and

(4) if, at the time required for the report under this section, a child, age 12 or older, disagrees about the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information regarding the child's disagreement, and to the extent possible, the basis for the child's disagreement in the report required under this section.

(e) After receiving the required report, the court has jurisdiction to make the following determinations and must do so within ten days of receiving the forwarded report, whether a hearing is requested:

(1) whether the voluntary foster care arrangement is in the child's best interests;

(2) whether the parent and agency are appropriately planning for the child; and

(3) in the case of a child age 12 or older, who disagrees with the foster care facility or services provided under the out-of-home placement plan, whether it is appropriate to appoint counsel and a guardian ad litem for the child using standards and procedures under section 260C.163.

(f) Unless requested by a parent, representative of the foster care facility, or the child, no in-court hearing is required in order for the court to make findings and issue an order as required in paragraph (e).

(g) If the court finds the voluntary foster care arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child, the court shall issue an order containing explicit, individualized findings to support its determination. The individualized findings shall be based on the agency's written report and other materials submitted to the court. The court may make this determination notwithstanding the child's disagreement, if any, reported under paragraph (d).

(h) The court shall send a copy of the order to the county attorney, the agency, parent, child, age 12 or older, and the foster parent or foster care facility.

(i) The court shall also send the parent, the child, age 12 or older, the foster parent, or representative of the foster care facility notice of the permanency review hearing required under section 260D.07, paragraph (e).

(j) If the court finds continuing the voluntary foster care arrangement is not in the child's best interests or that the agency or the parent are not appropriately planning for the child, the court shall notify the agency, the parent, the foster parent or foster care facility, the child, age 12 or older, and the county attorney of the court's determinations and the basis for the court's determinations. In this case, the court shall set the matter for hearing and appoint a guardian ad litem for the child under section 260C.163, subdivision 5.

Sec. 84. Minnesota Statutes 2024, section 260D.07, is amended to read:

260D.07 REQUIRED PERMANENCY REVIEW HEARING.

(a) When the court has found that the voluntary arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child pursuant to the report submitted under section 260D.06, and the child continues in voluntary foster care as defined in section 260D.02, subdivision 10, for 13 months from the date of the voluntary foster care agreement, or has been in placement for 15 of the last 22 months, the agency must:

(1) terminate the voluntary foster care agreement and return the child home; or

(2) determine whether there are compelling reasons to continue the voluntary foster care arrangement and, if the agency determines there are compelling reasons, seek judicial approval of its determination; or

(3) file a petition for the termination of parental rights.

(b) When the agency is asking for the court's approval of its determination that there are compelling reasons to continue the child in the voluntary foster care arrangement, the agency shall file a "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment" and ask the court to proceed under this section.

(c) The "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment" shall be drafted or approved by the county attorney and be under oath. The petition shall include:

(1) the date of the voluntary placement agreement;

(2) whether the petition is due to the child's developmental disability or ~~emotional disturbance~~ mental illness;

(3) the plan for the ongoing care of the child and the parent's participation in the plan;

(4) a description of the parent's visitation and contact with the child;

(5) the date of the court finding that the foster care placement was in the best interests of the child, if required under section 260D.06, or the date the agency filed the motion under section 260D.09, paragraph (b);

(6) the agency's reasonable efforts to finalize the permanent plan for the child, including returning the child to the care of the child's family;

(7) a citation to this chapter as the basis for the petition; and

(8) evidence as specified in section 260C.712 when a child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d.

(d) An updated copy of the out-of-home placement plan required under section 260C.212, subdivision 1, shall be filed with the petition.

(e) The court shall set the date for the permanency review hearing no later than 14 months after the child has been in placement or within 30 days of the petition filing date when the child has been in placement 15 of the last 22 months. The court shall serve the petition together with a notice of hearing by United States mail on the parent, the child age 12 or older, the child's guardian ad litem, if one has been appointed, the agency, the county attorney, and counsel for any party.

(f) The court shall conduct the permanency review hearing on the petition no later than 14 months after the date of the voluntary placement agreement, within 30 days of the filing of the petition when the child has been in placement 15 of the last 22 months, or within 15 days of a motion to terminate jurisdiction and to dismiss an order for foster care under chapter 260C, as provided in section 260D.09, paragraph (b).

(g) At the permanency review hearing, the court shall:

(1) inquire of the parent if the parent has reviewed the "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment," whether the petition is accurate, and whether the parent agrees to the continued voluntary foster care arrangement as being in the child's best interests;

(2) inquire of the parent if the parent is satisfied with the agency's reasonable efforts to finalize the permanent plan for the child, including whether there are services available and accessible to the parent that might allow the child to safely be with the child's family;

(3) inquire of the parent if the parent consents to the court entering an order that:

(i) approves the responsible agency's reasonable efforts to finalize the permanent plan for the child, which includes ongoing future planning for the safety, health, and best interests of the child; and

(ii) approves the responsible agency's determination that there are compelling reasons why the continued voluntary foster care arrangement is in the child's best interests; and

(4) inquire of the child's guardian ad litem and any other party whether the guardian or the party agrees that:

(i) the court should approve the responsible agency's reasonable efforts to finalize the permanent plan for the child, which includes ongoing and future planning for the safety, health, and best interests of the child; and

(ii) the court should approve of the responsible agency's determination that there are compelling reasons why the continued voluntary foster care arrangement is in the child's best interests.

(h) At a permanency review hearing under this section, the court may take the following actions based on the contents of the sworn petition and the consent of the parent:

(1) approve the agency's compelling reasons that the voluntary foster care arrangement is in the best interests of the child; and

(2) find that the agency has made reasonable efforts to finalize the permanent plan for the child.

(i) A child, age 12 or older, may object to the agency's request that the court approve its compelling reasons for the continued voluntary arrangement and may be heard on the reasons for the objection. Notwithstanding the child's objection, the court may approve the agency's compelling reasons and the voluntary arrangement.

(j) If the court does not approve the voluntary arrangement after hearing from the child or the child's guardian ad litem, the court shall dismiss the petition. In this case, either:

(1) the child must be returned to the care of the parent; or

(2) the agency must file a petition under section 260C.141, asking for appropriate relief under sections 260C.301 or 260C.503 to 260C.521.

(k) When the court approves the agency's compelling reasons for the child to continue in voluntary foster care for treatment, and finds that the agency has made reasonable efforts to finalize a permanent plan for the child, the court shall approve the continued voluntary foster care arrangement, and continue the matter under the court's jurisdiction for the purposes of reviewing the child's placement every 12 months while the child is in foster care.

(l) A finding that the court approves the continued voluntary placement means the agency has continued legal authority to place the child while a voluntary placement agreement remains in effect. The parent or the agency may terminate a voluntary agreement as provided in section 260D.10. Termination of a voluntary foster care placement of an Indian child is governed by section 260.765, subdivision 4.

Sec. 85. Minnesota Statutes 2024, section 260E.11, subdivision 3, is amended to read:

Subd. 3. **Report to medical examiner or coroner; notification to local agency and law enforcement; report ombudsman.** (a) A person mandated to report maltreatment who knows or has reason to believe a child has died as a result of maltreatment shall report that information to the appropriate medical examiner or coroner instead of the local welfare agency, police department, or county sheriff.

(b) The medical examiner or coroner shall notify the local welfare agency, police department, or county sheriff in instances in which the medical examiner or coroner believes that the child has died as a result of maltreatment. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff and the local welfare agency.

(c) If the child was receiving services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~ from an agency, facility, or program as defined in section 245.91, the medical examiner or coroner shall also notify and report findings to the ombudsman established under sections 245.91 to 245.97.

Sec. 86. Minnesota Statutes 2024, section 295.50, subdivision 9b, is amended to read:

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

(1) bed and board;

(2) nursing services and other related services;

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

(4) medical social services;

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

(6) other diagnostic or therapeutic items or services;

(7) medical or surgical services;

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

(9) emergency services.

(b) "Patient services" does not include:

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

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

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

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

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

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

(7) hospice care services;

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

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

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

ARTICLE 9
MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 62Q.75, subdivision 3, is amended to read:

Subd. 3. **Claims filing.** (a) Unless otherwise provided by contract, by section 16A.124, subdivision 4a, or by federal law, the health care providers and facilities specified in subdivision 2 must submit their charges to a health plan company or third-party administrator within six months from the date of service or the date the health care provider knew or was informed of the correct name and address of the responsible health plan company or third-party administrator, whichever is later.

(b) A health care provider or facility that does not make an initial submission of charges within the six-month period in paragraph (a), the 12-month period in paragraph (c), or the additional six-month period in paragraph (d) shall not be reimbursed for the charge and may not collect the charge from the recipient of the service or any other payer.

(c) The six-month submission requirement in paragraph (a) may be extended to 12 months in cases where a health care provider or facility specified in subdivision 2 has determined and can substantiate that it has experienced a significant disruption to normal operations that materially affects the ability to conduct business in a normal manner and to submit claims on a timely basis.

(d) The six-month submission requirement in paragraph (a) must be extended an additional six months if a health plan company or third-party administrator makes any adjustment or recoupment of payment. The additional six months begins on the date the health plan company or third-party administrator adjusts or recoups the payment.

(e) Any request by a health care provider or facility under paragraph (c) or (d) must reference that the submission is pursuant to this subdivision.

(f) Any request by a health care provider or facility specified in subdivision 2 for an exception to a contractually defined claims submission timeline must be reviewed and acted upon by the health plan company within the same time frame as the contractually agreed upon claims filing timeline.

(g) This subdivision also applies to all health care providers and facilities that submit charges to workers' compensation payers for treatment of a workers' compensation injury compensable under chapter 176, or to reparation obligors for treatment of an injury compensable under chapter 65B.

Sec. 2. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 44. **Notification of federal approval; report.** (a) For any provision over which the commissioner has jurisdiction and that has an effective date contingent upon federal approval, whether the contingency is expressed in an effective date, in the text of a statutory provision, or in the text of an uncodified section of session law, the commissioner must establish and maintain a public list, according to paragraph (b), of which enacted provisions contain such contingent federal approval and when federal approval is obtained for any such provision.

(b) The commissioner must post, in a single location on the department's public website, regular status updates on all provisions of Minnesota Statutes and Laws of Minnesota enacted with an effective date contingent on federal approval. The commissioner must update the list monthly to identify:

(1) provisions of Minnesota Statutes and Laws of Minnesota the commissioner has requested federal authority to effectuate;

(2) the status of the commissioner's request for federal approval;

(3) the date of federal approval, denial, or an alternative outcome; and

(4) the effective dates for approved provisions.

EFFECTIVE DATE. This section is effective December 1, 2025.

Sec. 3. **REPEALER.**

Minnesota Rules, part 9505.0250, subparts 1, 2, and 3, are repealed.

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

Delete the title and insert:

"A bill for an act relating to human services; modifying policy provisions relating to aging and disability services, the Department of Health, Direct Care and Treatment, substance use disorder and behavioral health, the Department of Human Services Office of Inspector General, and certain health insurance claims; recodifying statutory language relating to assertive community treatment and intensive residential treatment services; modifying children's mental health terminology; requiring certain notifications regarding federal approval; making conforming changes; amending Minnesota Statutes 2024, sections 3.757, subdivision 1; 4.046, subdivisions 2, 3; 13.46, subdivisions 3, 4; 15.471, subdivision 6; 43A.241; 62J.495, subdivision 2; 62Q.527, subdivisions 1, 2, 3; 62Q.75, subdivision 3; 97A.441, subdivision 3; 121A.61, subdivision 3; 128C.02, subdivision 5; 142E.51, subdivisions 5, 6, by adding a subdivision; 142G.02, subdivision 56; 142G.27, subdivision 4; 142G.42, subdivision 3; 144.0724, subdivisions 2, 3a, 4, 8, 9, 11; 144.53; 144.651, subdivisions 2, 4, 10a, 20, 31, 32; 144A.07; 144A.071, subdivisions 4a, 4d; 144A.1888; 144A.61, by adding subdivisions; 144A.70, subdivisions 3, 7, by adding subdivisions; 144A.751, subdivision 1; 144G.08, by adding a subdivision; 144G.10, subdivisions 1, 1a, 5; 144G.16, subdivision 3; 144G.19, by adding a subdivision; 144G.45, by adding a subdivision; 144G.51; 144G.52, by adding a subdivision; 144G.53; 144G.70, subdivision 2; 144G.71, subdivisions 3, 5; 144G.81, subdivision 1; 144G.91, by adding a subdivision; 146A.08, subdivision 4; 147.091, subdivision 6; 147A.13, subdivision 6; 148.10, subdivision 1; 148.235, subdivision 10; 148.261, subdivision 5; 148.754; 148B.5905; 148F.09, subdivision 6; 148F.11, subdivision

1; 150A.08, subdivision 6; 151.071, subdivision 10; 153.21, subdivision 2; 153B.70; 168.012, subdivision 1; 169A.284; 244.052, subdivision 4; 245.462, subdivision 4; 245.4661, subdivision 9; 245.4662, subdivision 1; 245.4682, subdivision 3; 245.469; 245.481; 245.4835, subdivision 2; 245.4863; 245.487, subdivision 2; 245.4871, subdivisions 3, 4, 6, 13, 15, 17, 19, 21, 22, 28, 29, 31, 32, 34, by adding a subdivision; 245.4873, subdivision 2; 245.4874, subdivision 1; 245.4875, subdivision 5; 245.4876, subdivisions 4, 5; 245.4877; 245.488, subdivisions 1, 3; 245.4881, subdivisions 1, 3, 4; 245.4882, subdivisions 1, 5; 245.4884; 245.4885, subdivision 1; 245.4889, subdivision 1; 245.4901, subdivision 3; 245.4906, subdivision 2; 245.4907, subdivisions 2, 3; 245.491, subdivision 2; 245.492, subdivision 3; 245.50, subdivisions 2, 3, by adding a subdivision; 245.52; 245.697, subdivision 2a; 245.814, subdivision 3; 245.826; 245.91, subdivisions 2, 4; 245.92; 245.94, subdivision 1; 245A.03, subdivision 2; 245A.04, subdivisions 1, 7; 245A.16, subdivision 1; 245A.242, subdivision 2; 245A.26, subdivisions 1, 2; 245C.05, by adding a subdivision; 245C.08, subdivision 3; 245C.22, subdivision 5; 245D.02, subdivision 4a; 245D.091, subdivision 3; 245D.10, by adding a subdivision; 245F.06, subdivision 2; 245G.05, subdivision 1; 245G.06, subdivisions 1, 2a, 3a; 245G.07, subdivision 2; 245G.08, subdivision 6; 245G.09, subdivision 3; 245G.11, subdivisions 7, 11; 245G.18, subdivision 2; 245G.19, subdivision 4, by adding a subdivision; 245G.22, subdivisions 1, 14, 15; 245I.05, subdivisions 3, 5; 245I.06, subdivision 3; 245I.11, subdivision 5; 245I.12, subdivision 5; 246.585; 246C.06, subdivision 11; 246C.12, subdivisions 4, 6; 246C.20; 252.27, subdivision 1; 252.28, subdivision 2; 252.291, subdivision 3; 252.41, subdivision 3; 252.42; 252.43; 252.44; 252.45; 252.46, subdivision 1a; 252.50, subdivision 5; 253B.07, subdivision 2b; 253B.09, subdivision 3a; 253B.10, subdivision 1; 253B.141, subdivision 2; 253B.18, subdivision 6; 253B.19, subdivision 2; 253D.29, subdivisions 1, 2, 3; 253D.30, subdivisions 4, 5; 254A.03, subdivision 1; 254A.19, subdivisions 6, 7; 254B.04, subdivision 1a; 254B.05, subdivisions 1, 1a, 5; 254B.06, by adding a subdivision; 256.01, subdivisions 2, 5, 29, 34, by adding a subdivision; 256.019, subdivision 1; 256.0281; 256.0451, subdivisions 1, 3, 6, 8, 9, 18, 22, 23, 24; 256.478, subdivision 2; 256.4825; 256.93, subdivision 1; 256.9657, subdivision 7a; 256.98, subdivisions 1, 7; 256B.02, subdivision 11; 256B.055, subdivision 12; 256B.0615, subdivisions 1, 3; 256B.0616, subdivisions 1, 4, 5; 256B.0622, subdivisions 1, 3a, 7a, 8, 11, 12; 256B.064, subdivision 1a; 256B.0757, subdivision 2; 256B.0761, subdivision 4; 256B.092, subdivisions 1a, 10, 11, 11a; 256B.0943, subdivisions 1, 3, 9, 12, 13; 256B.0945, subdivision 1; 256B.0946, subdivision 6; 256B.0947, subdivision 3a; 256B.12; 256B.49, subdivisions 13, 29; 256B.4911, subdivision 6; 256B.4914, subdivisions 10a, 10d, 17; 256B.69, subdivision 23; 256B.77, subdivision 7a; 256B.82; 256D.44, subdivision 5; 256G.09, subdivisions 4, 5; 256I.04, subdivision 2c; 256L.03, subdivision 5; 256R.02, subdivisions 18, 19, 22; 256R.25; 256R.38; 256R.40, subdivision 5; 260B.157, subdivision 3; 260C.007, subdivisions 16, 26d, 27b; 260C.157, subdivision 3; 260C.201, subdivisions 1, 2; 260C.301, subdivision 4; 260D.01; 260D.02, subdivisions 5, 9; 260D.03, subdivision 1; 260D.04; 260D.06, subdivision 2; 260D.07; 260E.11, subdivision 3; 295.50, subdivision 9b; 299F.77, subdivision 2; 342.04; 352.91, subdivision 3f; 401.17, subdivision 1; 507.071, subdivision 1; 611.46, subdivision 1; 611.55, by adding a subdivision; 611.57, subdivisions 2, 4; 624.7131, subdivisions 1, 2; 624.7132, subdivisions 1, 2; 624.714, subdivisions 3, 4; 631.40, subdivision 3; Laws 2023, chapter 70, article 7, section 34; proposing coding for new law in Minnesota Statutes, chapters 245; 246C; 253B; 256B; 256R; 609; repealing Minnesota Statutes 2024, sections 144A.071, subdivision 4c; 144G.9999, subdivisions 1, 2, 3; 245.4862; 245A.042, subdivisions 2, 3, 4; 245A.11, subdivision 8; 246.015, subdivision 3; 246.50, subdivision 2; 246B.04, subdivision 1a; 256B.0622, subdivision 4; Laws 2024, chapter 79, article 1, sections 15; 16; 17; Minnesota Rules, part 9505.0250, subparts 1, 2, 3."

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

House Conferees: JOE SCHOMACKER, STEVE GANDER, MOHAMUD NOOR and LUKE FREDERICK.

Senate Conferees: JOHN HOFFMAN, OMAR FATEH, ERIN MAYE QUADE, JORDAN RASMUSSON and JIM ABELER

Schomacker moved that the report of the Conference Committee on H. F. No. 2115 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Schomacker motion and the roll was called. There were 67 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Acomb	Feist	Hemmingsen-Jaeger	Keeler	Moller	Stephenson
Agbaje	Finke	Her	Klevorn	Momanyi-Hiltsley	Tabke
Bahner	Fischer	Hicks	Koegel	Noor	Vang
Berg	Frazier	Hill	Kotyza-Witthuhn	Norris	Virnig
Bierman	Frederick	Hollins	Kozlowski	Pérez-Vega	Wolgamott
Carroll	Freiberg	Hortman	Kraft	Pinto	Xiong
Cha	Gomez	Howard	Lee, F.	Pursell	Youakim
Clardy	Gottfried	Huot	Lee, K.	Rehm	
Coulter	Greene	Hussein	Liebling	Rehrauer	
Curran	Greenman	Johnson, P.	Lillie	Reyer	
Elkins	Hansen, R.	Jones	Long	Sencer-Mura	
Falconer	Hanson, J.	Jordan	Mahamoud	Smith	

Those who voted in the negative were:

Allen	Dippel	Igo	Myers	Roach	Van Binsbergen
Altendorf	Dotseth	Jacob	Nadeau	Robbins	Warwas
Anderson, P. E.	Duran	Johnson, W.	Nash	Rymer	West
Anderson, P. H.	Engen	Joy	Nelson	Schomacker	Wiener
Backer	Fogelman	Knudsen	Niska	Schultz	Witte
Bakeberg	Franson	Koznick	Novotny	Schwartz	Zeleznikar
Baker	Gander	Kresha	O'Driscoll	Scott	Spk. Demuth
Bennett	Gillman	Lawrence	Olson	Sexton	
Bliss	Gordon	McDonald	Perryman	Skraba	
Burkel	Harder	Mekeland	Quam	Stier	
Davids	Heintzeman	Mueller	Rarick	Swedzinski	
Davis	Hudson	Murphy	Repinski	Torkelson	

The motion did not prevail.

MOTIONS AND RESOLUTIONS, Continued

MOTION TO TAKE FROM THE TABLE

Igo moved that the Igo motion, which was laid on the table earlier today, that H. F. No. 3023 be placed on and be considered first on the Calendar for the Day be taken from the table.

A roll call was requested and properly seconded.

The question was taken on the Igo motion and the roll was called. There were 67 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Allen	Baker	Dippel	Gander	Igo	Kresha
Altendorf	Bennett	Dotseth	Gillman	Jacob	Lawrence
Anderson, P. E.	Bliss	Duran	Gordon	Johnson, W.	McDonald
Anderson, P. H.	Burkel	Engen	Harder	Joy	Mekeland
Backer	Davids	Fogelman	Heintzeman	Knudsen	Mueller
Bakeberg	Davis	Franson	Hudson	Koznick	Murphy

Myers	O'Driscoll	Roach	Scott	Van Binsbergen	Spk. Demuth
Nadeau	Olson	Robbins	Sexton	Warwas	
Nash	Perryman	Rymer	Skraba	West	
Nelson	Quam	Schomacker	Stier	Wiener	
Niska	Rarick	Schultz	Swedzinski	Witte	
Novotny	Repinski	Schwartz	Torkelson	Zeleznikar	

Those who voted in the negative were:

Acomb	Feist	Hemmingsen-Jaeger	Keeler	Moller	Stephenson
Agbaje	Finke	Her	Klevorn	Momanyi-Hiltsley	Tabke
Bahner	Fischer	Hicks	Koegel	Noor	Vang
Berg	Frazier	Hill	Kotyza-Witthuhn	Norris	Virnig
Bierman	Frederick	Hollins	Kozlowski	Pérez-Vega	Wolgamott
Carroll	Freiberg	Hortman	Kraft	Pinto	Xiong
Cha	Gomez	Howard	Lee, F.	Pursell	Youakim
Clardy	Gottfried	Huot	Lee, K.	Rehm	
Coulter	Greene	Hussein	Liebling	Rehrauer	
Curran	Greenman	Johnson, P.	Lillie	Reyer	
Elkins	Hansen, R.	Jones	Long	Sencer-Mura	
Falconer	Hanson, J.	Jordan	Mahamoud	Smith	

The motion did not prevail.

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.

MOTIONS AND RESOLUTIONS, Continued

MOTION FOR RECONSIDERATION

Niska moved that the vote whereby the House refused to adopt the conference committee report on H. F. No. 2115, earlier today, be now reconsidered. The motion prevailed.

ADJOURNMENT

Niska moved that when the House adjourns today it adjourn until 11:00 a.m., Monday, May 19, 2025. The motion prevailed.

Niska moved that the House adjourn. The motion prevailed, and Speaker pro tempore Olson declared the House stands adjourned until 11:00 a.m., Monday, May 19, 2025.

PATRICK DUFFY MURPHY, Chief Clerk, House of Representatives