

1.1 ..... moves to amend H.F. No. 3426 as follows:

1.2 Page 50, after line 2, insert:

1.3 "Sec. 3. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision  
1.4 to read:

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

1.7 (1) \$2,000,000, if the grant is for trail maintenance; or

1.8 (2) \$750,000, if the grant is for a purpose other than trail maintenance.

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

1.11 Sec. 4. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision to  
1.12 read:

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

1.17 Sec. 5. Minnesota Statutes 2024, section 116X.03, is amended by adding a subdivision to  
1.18 read:

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

2.1 conduct at least one unannounced monitoring visit on the selected grants before final payment  
2.2 is made.

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

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

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

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

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

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

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

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

2.20 (c) The commissioner may designate and approve a fiscal agent for purposes of this  
2.21 subdivision if the fiscal agent is subject to the requirements under sections 16B.97 to  
2.22 16B.991.

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

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

2.29 Amend the title accordingly