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Minnesota
House of
Representatives
Lisa Demuth, Speaker

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New Laws Effective Aug. 1, 2025

The following is a list of <u>select</u> new laws passed during the 2025 legislative session, and one from 2024, that take effect Aug. 1, 2025. The asterisk following the bill number denotes language that became law. Summaries of laws passed by the 2025 Legislature are available online from nonpartisan House Public Information Services at house.mn.gov/newlaws/search/2025.

BUSINESS AND COMMERCE

'Minnesota Partition Act' will modernize property partition, clarify eminent domain laws

The "Minnesota Partition Act" will clarify and reflect modern practices for how court actions involving two or more owners are decided.

Effective Aug. 1, 2025, it will modernize Minnesota's statute on property partition, clarify eminent domain laws, and update statute to reflect case law on partitions.

Among its provisions, the law:

- describes who may bring legal action regarding sales of real property held by two or more joint tenants or tenants-in-common:
- provides that a partition can still occur when there is a dispute as to who owns shares of the property;
- outlines the duties and powers of referees assigned by a court to facilitate property sales, including that referees "shall sell the property by any means to assure the highest and best price, under the most favorable terms";
- states a court must accept a referee's report "unless the party seeking to set aside or modify the report can demonstrate that the report is clearly and palpably against the evidence, by a preponderance of the evidence that clearly suggests a mistake, improper motive, bias, or caprice in making the report";
- modifies who must be notified of an eminent domain report filed by court-appointed commissioners; and
- expands how a person affected by an eminent domain action may file an appeal of a district court's decision.
 Rep. Sandra Feist (DFL-New Brighton) and Sen. Michael Kreun (R-Blaine) sponsor the law.
 HF359/SF202*/CH2

Minnesota Business Corporations Act updated

A new law updates the Minnesota Business Corporations Act regarding a corporation's directors, owners, and officers.

Requested by the Minnesota State Bar Association to ensure Minnesota remains aligned with other states on business law, the law provides model bylaws for a board of directors to manage the corporation during an emergency. A board of directors can also follow the procedures laid out in the model bylaws during an emergency in the absence of the board having bylaws.

It also will:

- create a new section regulating how a board and shareholders can approve a defective corporate act;
- allow articles of incorporation to limit board powers and an officer's personal liability;
- allow a board of directors to ratify an agreement when a certificate must be filed with the secretary of state's office:

- allow a court to require a corporation to allow an inspection if it violates the right to inspect section of the law and award the expenses to the plaintiff;
- allow a shareholder to obtain payment for their shares if the corporation diminishes or abolishes the board's right to manage the corporation; and
- allow a plan of merger or exchange to include penalties for a party's failure to perform its obligations and an appointment is irrevocable and unamendable.

It will also update definitions for beneficial ownership, defective corporate act, emergency, failure of authorization, overissue, putative shares, time of defective corporate act, validation effective time and valid shares. House Republican Floor Leader Harry Niska (R-Ramsey) and Sen. Michael Kreun (R-Blaine) are the sponsors. HF747*/SF1431/CH11

Insurance boards can request financial info from high net-worth policyholders

A new law will change Minnesota's existing high net-worth exclusion law by allowing the Minnesota Insurance Guaranty Association to request financial information from an insured to prove net worth when a property and casualty insurance company becomes insolvent and is ordered by a court to be liquidated.

Existing law does not provide consequences if a high net-worth policyholder doesn't provide the requested information. If the association can't determine whether the policyholder is in the high category of at least \$25 million in net worth, it's required to pay the insured's claim.

Under the new law, the insured's net worth will be assumed to be at least \$25 million if they do not provide the requested financial information within 60 days of the association's request.

Rep. Liz Reyer (DFL-Eagan) and Sen. Gary Dahms (R-Redwood Falls) are the sponsors. HF1014*/SF1758/CH14

CIVIL LAW

Office of Ombudsperson for American Indian Families exempt from court fees

The Office of Ombudsperson for American Indian Families will be exempt from the requirement to pay court fees in certain cases. Current law exempts tribes and tribal representatives from the fee requirement.

The list of actions for which fees are exempt will also be expanded to include those seeking relief under Chapter 256 of state statute (human services matters), Chapter 257 (children and child custody matters), Chapter 518 (marriage dissolution), and portions of Chapter 524 (guardianship of a minor or incapacitated person).

Rep. Sandra Feist (DFL-New Brighton) and Sen. Mary Kunesh (DFL-New Brighton) are the sponsors. HF2184*/SF472/CH10

Limited confidentiality established for restorative justice participants

A privilege has been established for communications that take place within restorative justice programs, similar to confidentiality protections between attorneys and clients or doctors and patients.

Restorative justice programs allow an offender to meet with the victim or victims of their crimes and other community members to discuss the impact of the offense. In some cases, a prosecutor will dismiss a case if the person successfully completes a restorative process and in others a court may order participation as part of a sentence.

The law's intent is to encourage program participants to share honest information with other parties without fear the information could be used against them.

Under the law that takes effect Aug. 1, 2025, a restorative practice participant will be prohibited from disclosing any communication, documents, or other information made or used during the program.

Several exceptions and limitations to privileged communications are provided for, including the prohibition does not exempt mandatory reporters from complying with existing statutes requiring reporting of maltreatment of children or vulnerable adults.

Rep. Sandra Feist (DFL-New Brighton) and Sen. Sandra Pappas (DFL-St. Paul) are the sponsors. HF104/SF2200*/CH24

HOUSING

Service dog trainers gain housing protections

A new law effective Aug. 1, 2025, will ensure people who have a service dog in training are entitled to "full and equal access to all housing accommodations," that apply to people who have a service dog with them permanently.

About 1,000 volunteers across the state help train and socialize assistance dogs, who are typically ready to go to permanent homes at age 3. Some who want to train dogs have been unable to because of homeowner association restrictions on any pets or those of a certain breed or weight.

Trainers can't be charged extra to have the dog but are liable for any damage it might cause.

The dogs must be actively trained under the guidance of an accredited organization. Landlords or homeowners may require written notice of that fact, ensuring pets aren't kept under the guise of being a service dog-in-training.

Rep. Cedrick Frazier (DFL-New Hope) and Sen. Bonnie Westlin (DFL-Plymouth) sponsor the law.

HF688*/SF1317/CH16

Establishment of housing cooperatives

A new law that takes effect Aug. 1, 2025, will govern the organization and operation of housing cooperatives, including powers of their board of directors.

Previously, the incorporation of housing cooperatives was governed by agricultural and utility cooperative statutes, and their daily operations by myriad other statutes. The Minnesota Cooperative Housing Act will consolidate all aspects under one statute.

The law also adds a new statutory chapter under which housing cooperatives can be formed, but they may still be formed under all previously established chapters.

Housing cooperatives have become increasingly popular, particularly among the affordable and senior housing sectors. Proponents said the law will create a consistent and supportive framework for cooperative models to grow, providing unique entry points to home ownership and greater community connectivity.

Rep. Matt Norris (DFL-Blaine) and Sen. D. Scott Dibble (DFL-Mpls) are the sponsors.

2024 Session: HF3800*/SF4053/CH96

PUBLIC SAFETY

Performing national criminal background checks on adult business license applicants

Cities and counties can conduct a criminal background check that includes the national database for applications for a license to operate an adult entertainment establishment or provide massage services.

Prior to a new law taking effect Aug. 1, 2025, cities and counties could only conduct a criminal background check that includes records within the state.

Rep. Bernie Perryman (R-St. Augusta) and Sen. Jeff Howe (R-Rockville) sponsor the law. HF286*/SF803/CH22

TRANSPORTATION

Increased use of ignition interlock approved for monitoring repeat impaired driving offenders

People with multiple DWI offenses who wish to be licensed to drive again will be required to participate in an ignition interlock program, thus having to establish before driving that they aren't at a certain alcohol concentration level.

A new law, effective Aug. 1, 2025, will consolidate license revocation requirements into one section of law, maintaining the existing revocation requirements for those with no prior incidents while extending the lookback period for prior offenses from 10 years to 20 years. It will also specify the time a person must participate in the ignition interlock program before becoming eligible for reinstatement of a standard driver's license.

Eligibility for ignition interlock is expanded to include criminal vehicular homicide. For someone who commits criminal vehicular homicide or criminal vehicular operation, the license revocation period will be extended, as it will for anyone with a DWI-related offense who has had a prior incident. A gross misdemeanor penalty is established for driving with a license that's been revoked for a DWI-related offense unless the vehicle is equipped with an ignition interlock device.

All participants in the ignition interlock program must complete a licensed substance use disorder treatment or rehabilitation program.

Prior to the law, a person had to pay the \$680 license reinstatement fee before starting interlock. With the change they can start the program without making any payment, but the fee must be fully paid before reinstatement of a standard license.

Rep. Larry Kraft (DFL-St. Louis Park) and Sen. Ron Latz (DFL-St. Louis Park) are the sponsors. HF2130*/SF2068/CH29

Speed limits raised for implements of husbandry, some trash hauling

The statutory maximum speed limit for implements of husbandry and vehicles carrying uncovered trash or debris will be raised from 30 mph to 35 mph, effective Aug. 1, 2025.

An implement of husbandry is a self-propelled or towed vehicle designed or adapted to be used exclusively for timber harvesting, agricultural, horticultural or livestock-raising operations.

The same change applies to a vehicle used to transport garbage, rubbish, trash, debris or similar material when the transported material is uncovered.

A similar operating speed increase also applies to towing implements of husbandry without taillights and license plate illumination being required as well as vehicles for which a slow-moving vehicle emblem is required to be displayed.

Rep. Bjorn Olson (R-Fairmont) and Sen. Ann Johnson Stewart (DFL-Wayzata) are the sponsors.

HF739/SF1360*/CH4