STATE OF MINNESOTA

NINETY-SECOND SESSION — 2022

NINETY-SECOND DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 19, 2022

The House of Representatives convened at 11:00 a.m. and was called to order by Melissa Hortman, Speaker of the House.

Prayer was offered by the Reverend Richard D. Buller, Valley Community Presbyterian Church, Golden Valley, 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	Davnie	Hansen, R.	Kresha	Nelson, M.	Sandell
Agbaje	Demuth	Hanson, J.	Lee	Nelson, N.	Sandstede
Akland	Drazkowski	Hassan	Liebling	Neu Brindley	Schomacker
Albright	Ecklund	Hausman	Lillie	Noor	Schultz
Anderson	Edelson	Heinrich	Lippert	Novotny	Scott
Backer	Elkins	Heintzeman	Lislegard	O'Driscoll	Stephenson
Bahner	Erickson	Her	Long	Olson, B.	Sundin
Bahr	Feist	Hertaus	Lucero	Olson, L.	Swedzinski
Becker-Finn	Fischer	Hollins	Mariani	O'Neill	Theis
Bennett	Franke	Hornstein	Marquart	Pelowski	Thompson
Berg	Franson	Howard	Masin	Petersburg	Urdahl
Bernardy	Frazier	Huot	McDonald	Pfarr	Vang
Bierman	Frederick	Igo	Mekeland	Pierson	Wazlawik
Bliss	Freiberg	Johnson	Miller	Pinto	West
Boe	Garofalo	Jordan	Moller	Poston	Winkler
Boldon	Gomez	Jurgens	Moran	Pryor	Wolgamott
Burkel	Green	Keeler	Morrison	Quam	Xiong, J.
Carlson	Greenman	Kiel	Mortensen	Raleigh	Xiong, T.
Christensen	Grossell	Klevorn	Mueller	Rasmusson	Youakim
Daniels	Gruenhagen	Koegel	Munson	Reyer	Spk. Hortman
Daudt	Haley	Kotyza-Witthuhn	Murphy	Richardson	
Davids	Hamilton	Koznick	Nash	Robbins	

A quorum was present.

Baker, Dettmer, Lueck and Torkelson were excused.

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

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 8, 2022

The Honorable Melissa Hortman
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Hortman:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House File:

H. F. No. 3217, relating to agriculture; protecting data about individuals who seek mental or behavioral health assistance or who contact the Minnesota Farm and Rural Helpline; appropriating money for avian influenza.

Sincerely,

TIM WALZ
Governor

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

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable David J. Osmek
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2022 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	*H. F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 2022*	*Date Filed 2022*
	3217	47	12:57 p.m. April 8	April 8

Sincerely,

STEVE SIMON
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 13, 2022

The Honorable Melissa Hortman
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Hortman:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2819, relating to natural resources; increasing civil penalties for violations of snowmobile and off-highway vehicle provisions.

H. F. No. 3620, relating to labor and industry; allowing a licensed residential building contractor to receive an installation seal for the installation of used manufactured homes; clarifying that a used manufactured home may bear a label or data plate.

Sincerely,

TIM WALZ
Governor

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

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable David J. Osmek
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2022 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	*H. F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 2022*	*Date Filed 2022*
2736		45	1:30 p.m. April 13	April 13
	2819	46	1:30 p.m. April 13	April 13
	3620	48	1:30 p.m. April 13	April 13

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Noor from the Committee on Workforce and Business Development Finance and Policy to which was referred:

H. F. No. 1200, A bill for an act relating to employment; providing for paid family, pregnancy, bonding, and applicant's serious medical condition benefits; regulating and requiring certain employment leaves; classifying certain data; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2020, sections 13.719, by adding a subdivision; 177.27, subdivision 4; 181.032; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.19, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 268B.

Reported the same back with the following amendments:

Page 10, delete subdivision 22 and insert:

"Subd. 22. **Family member.** (a) "Family member" means, with respect to an employee:

(1) a spouse, including a domestic partner in a civil union or other registered domestic partnership recognized by the state, and a spouse's parent;

(2) a child and a child's spouse;

(3) a parent and a parent's spouse;

(4) a sibling and a sibling's spouse;

(5) a grandparent, a grandchild, or a spouse of a grandparent or grandchild; and

(6) any other individual who is related by blood or affinity and whose association with the employee is equivalent of a family relationship. For the purposes of this clause, with respect to an employee, this includes but is not limited to:

(i) a child of a sibling of the employee;

(ii) a sibling of the parents of the employee;

(iii) a child-in-law, a parent-in-law, a sibling-in-law, and a grandparent-in-law; and

(iv) an individual who has resided at the same address as the employee for at least one year as of the first day of leave under this chapter.

(b) For the purposes of this chapter, a child includes a stepchild; biological, adopted, or foster child of the employee; or a child for whom the employee is standing in loco parentis.

(c) For the purposes of this chapter, a grandchild includes a step-grandchild or biological, adopted, or foster grandchild of the employee."

Page 11, line 10, before "perform" insert "fully"

Page 19, line 29, delete "may" and insert "shall"

Page 23, line 18, delete everything after "unless" and insert "an appeal is filed by the applicant within 30 calendar days after the sending of the determination or amended determination, or within 60 calendar days, if an applicant establishes good cause for not appealing within 30 days. For the purposes of this paragraph, "good cause" means a reason that would have prevented an applicant from acting with due diligence in appealing within 30 days and includes any illness, disability, or linguistic and literacy limitation of the applicant, along with other relevant factors. If an applicant claims good cause for a late appeal, the applicant must be granted a hearing on the issue of timeliness. This hearing can be held at the same time as a hearing on the merits of the appeal."

Page 23, delete lines 19 and 20

Page 23, line 21, delete everything before "Proceedings"

Page 25, line 11, delete "must" and insert "shall"

Page 30, line 3, delete "20" and insert "30" and before the period, insert ", or within 60 calendar days, if the applicant establishes good cause for not appealing within 30 days. For the purposes of this paragraph, "good cause" means a reason that would have prevented an applicant from acting with due diligence in appealing within 30 days and includes any illness, disability, or linguistic and literacy limitation of the applicant, along with other relevant factors. If an applicant claims good cause for a late appeal, the applicant must be granted a hearing on the issue of timeliness. This hearing can be held at the same time as a hearing on the merits of the appeal"

Page 31, line 30, delete "verbal" and insert "oral, telephone, or text message"

Page 32, delete line 19 and insert "if such leave is reasonable and appropriate to the needs of the individual with the serious health condition."

Page 35, line 24, delete "would have" and insert "has"

Page 35, line 26, delete ". Restoration"

Page 39, line 14, delete "October" and insert "December"

Page 39, line 15, delete "2022" and insert "2024" and delete "268B.21" and insert "268B.24"

Page 45, line 29, delete "2023" and insert "2025"

Page 50, line 16, delete "2023" and insert "2025" and delete "2023" and insert "2025"

Page 50, line 18, delete "2024" and insert "2025"

Page 50, line 25, delete "2023" and insert "2025"

Page 51, line 17, delete "20" and insert "30"

Page 51, line 18, after the comma, insert "or within 60 calendar days, if the applicant establishes good cause for not appealing within 30 days,"

Page 51, line 19, after the period, insert "For the purposes of this paragraph, "good cause" means a reason that would have prevented an applicant from acting with due diligence in appealing within 30 days and includes any illness, disability, or linguistic and literacy limitation of the applicant, along with other relevant factors. If an applicant claims good cause for a late appeal, the applicant must be granted a hearing on the issue of timeliness. This hearing can be held at the same time as a hearing on the merits of the appeal."

Page 60, line 21, delete "2023" and insert "2024"

Page 61, line 7, delete "2023" and insert "2024"

Page 64, delete section 38 and insert:

"Sec. 38. **APPROPRIATIONS.**

(a) $1,700,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of employment and economic development for transfer to the family and medical insurance benefit account for the purposes of Minnesota Statutes, chapter 268B, including:

(1) payment of family and medical benefits for calendar years 2024 and 2025;

(2) implementation and administration of the family and medical benefit insurance program;

(3) staffing, outreach, information technology implementation, and related activities; and

(4) outreach, education, and technical assistance for employees, employers, and self-employed individuals regarding Minnesota Statutes, chapter 268B.

This is a onetime appropriation and is available until June 30, 2026. Any unspent money cancels to the general fund.

(b) $..... in fiscal year 2027 is appropriated from the family and medical insurance benefit account to the commissioner of employment and economic development for the purposes of Minnesota Statutes, chapter 268B, including administration of the family and medical benefit insurance program, and outreach, education, and technical assistance for employees, employers, and self-employed individuals. Of the amount used for outreach, education, and technical assistance, at least half must be used for grants to community-based groups providing outreach, education, and technical assistance for employees, employers, and self-employed individuals regarding Minnesota Statutes, chapter 268B. Outreach must include efforts to notify self-employed individuals of their ability to elect coverage under Minnesota Statutes, section 268B.11, and providing individuals with technical assistance to elect coverage. The base for fiscal year 2028 and beyond is $.....

Sec. 39. **EFFECTIVE DATES.**

(a) Family and medical benefits under Minnesota Statutes, chapter 268B, may be applied for and paid starting January 1, 2024. Notwithstanding Minnesota Statutes, section 268B.03, or any other law to the contrary, for calendar years 2024 and 2025, the commissioner shall pay benefits under this chapter from the money appropriated in section 38.

(b) Sections 1, 2, 4, 5, and 6 are effective July 1, 2022.

(c) Section 15 is effective January 1, 2023.

(d) Except as provided in paragraph (a), sections 7 to 14, 16 to 18, 20, 22, 26 to 31, and 33 to 36 are effective January 1, 2024.

(e) Sections 3, 19, 21, 23 to 25, and 32 are effective January 1, 2025."

Page 67, line 5, delete "July" and insert "January"

Page 67, delete article 3

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

The report was adopted.

Hornstein from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 1683, A bill for an act relating to transportation; correcting cross-references; amending Minnesota Statutes 2020, sections 162.145, subdivision 3; 171.06, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
TRANSPORTATION APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 5, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. The figures "2022" and "2023" used in this article mean that the addition to the appropriations listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**
Sec. 2. **DEPARTMENT OF TRANSPORTATION**		
Subdivision 1. **Total Appropriation**	**$197,423,000**	**$435,090,000**

Appropriations by Fund

	2022	2023
General	-0-	189,715,000
Airports	-0-	5,500,000
Trunk Highway	197,423,000	239,875,000

The appropriations in this section are to the commissioner of transportation.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Aviation Support Services** -0- 7,000,000

This appropriation is from the general fund to purchase two utility aircraft for the Department of Transportation. This is a onetime appropriation.

(2) **IIJA Match** -0- 5,500,000

This appropriation is from the state airports fund for expenditure in accordance with Minnesota Statutes, section 360.305, subdivision 4. This is a onetime appropriation.

(b) **Transit and Active Transportation**

(1) **IIJA Match; Operating Adjustment** -0- 10,000,000

This appropriation is from the general fund for the public transit participation program under Minnesota Statutes, section 174.24. This is a onetime appropriation.

(2) **Active Transportation** -0- 12,500,000

This appropriation is from the general fund for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2024.

The base is $6,150,000 in each of fiscal years 2024 and 2025.

(c) **Safe Routes to School** -0- 1,859,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40. This is a onetime appropriation.

(d) **Passenger Rail**

(1) **Rail Service** -0- 740,000

This appropriation is from the general fund for operating costs related to second daily passenger rail train service between Minneapolis and St. Paul and Chicago.

The base is $1,490,000 in fiscal year 2024 and $2,200,000 in fiscal year 2025.

(2) **Northern Lights Express** -0- 51,000,000

This appropriation is from the general fund for capital improvements and betterments, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, and construction of the Minneapolis-Duluth Northern Lights Express inter-city passenger rail project. This appropriation is available until June 30, 2027.

The base is $17,000,000 in each of fiscal years 2024 and 2025 and $0 in fiscal year 2026 and thereafter.

(e) **Freight** -0- 1,000,000

This appropriation is from the general fund for Minnesota rail service improvement program grants under Minnesota Statutes, section 222.50. This is a onetime appropriation.

Subd. 3. **State Roads**

(a) **Operations and Maintenance** 4,000,000 8,805,000

Appropriations by Fund

	2022	2023
General	-0-	1,000,000
Trunk Highway	4,000,000	7,805,000

$330,000 in fiscal year 2023 from the trunk highway fund is to acquire, build, plant, and improve living snow fences consisting of trees, shrubs, native grasses, and wildflowers. This appropriation

includes costs of acquiring and planting trees and shrubs that are climate adaptive to Minnesota, contracts, easements, rental agreements, and program delivery.

$1,000,000 in fiscal year 2023 from the general fund is for the highways for habitat program under Minnesota Statutes, section 160.2325. This is a onetime appropriation.

The base is $367,681,000 in each of fiscal years 2024 and 2025.

(b) **Program Delivery** -0- 10,802,000

This appropriation includes use of consultants to support development and management of projects.

The base is $242,920,000 in fiscal year 2024 and $244,101,000 in fiscal year 2025.

(c) **State Road Construction** 191,223,000 213,463,000

Appropriations by Fund

	2022	2023
General	-0-	2,000,000
Trunk Highway	191,223,000	216,019,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

$2,000,000 in fiscal year 2023 from the general fund is to acquire, build, plant, and improve living snow fences consisting of trees, shrubs, native grasses, and wildflowers. This appropriation includes costs of acquiring and planting trees and shrubs that are climate adaptive to Minnesota, contracts, easements, rental agreements, and program delivery. This is a onetime appropriation and is available until June 30, 2026.

The base for the trunk highway fund is $1,148,794,000 in fiscal year 2024 and $1,160,413,000 in fiscal year 2025.

(d) **Highway Debt Service** -0- 1,511,000

Any excess appropriation cancels to the trunk highway fund.

(e) **Statewide Radio Communications** -0- 2,000,000

This appropriation is from the general fund to predesign, design, construct, equip, and furnish the system backbone of the public safety radio and communication system plan under Minnesota Statutes, section 403.36. This is a onetime appropriation and is available until June 30, 2025.

Subd. 4. **Local Roads**

(a) **County State-Aid Highways**

(1) **IIJA Match**	-0-	30,868,000

This appropriation is from the general fund for county state-aid highways, to be distributed in the manner provided under Minnesota Statutes, chapter 162. This is a onetime appropriation.

(2) **Town Roads**	-0-	4,000,000

This appropriation is from the general fund for town roads, to be distributed in the manner provided under Minnesota Statutes, section 162.081. This is a onetime appropriation.

(b) **Municipal State-Aid Streets; IIJA Match**	-0-	9,748,000

This appropriation is from the general fund for municipal state-aid streets, to be distributed in the manner provided under Minnesota Statutes, chapter 162. This is a onetime appropriation.

(c) **Small Cities Assistance**	-0-	10,000,000

This appropriation is from the general fund for the small cities assistance program under Minnesota Statutes, section 162.145.

The base is $10,000,000 in each of fiscal years 2024 and 2025.

Subd. 5. **Agency Management**

(a) **Agency Services**	-0-	3,378,000

The base for the trunk highway fund is $66,784,000 in fiscal year 2024 and $67,192,000 in fiscal year 2025.

(b) **Buildings**	2,200,000	-0-

This appropriation is to predesign, design, construct, and equip the Hutchinson Area Transportation Services addition.

(c) **IIJA Match and Funding Maximization**

(1) **Federal Funds Local Assistance**	-0-	36,800,000

This appropriation is from the general fund for the federal funds local assistance program under Minnesota Statutes, section 174.125. This is a onetime appropriation and is available until June 30, 2026.

(2) **Federal Grants Technical Assistance**	-0-	400,000

This appropriation is from the general fund for federal grants technical assistance under Minnesota Statutes, section 174.127.

The base is $400,000 in each of fiscal years 2024 and 2025.

(3) **Electric Vehicle Infrastructure**	-0-	6,800,000

This appropriation is from the general fund for the match requirements for formula and discretionary grant programs enacted in the federal Infrastructure Investment and Jobs Act, Public Law 117-58, related to electric vehicle infrastructure and alternative fuel corridors. From this amount, the commissioner may make grants to local units of government. This is a onetime appropriation and is available until June 30, 2026. If the match requirements are met, the commissioner may expend any unspent portion of this appropriation under the federal funds local assistance program in Minnesota Statutes, section 174.125.

The base is $3,400,000 in each of fiscal years 2024 and 2025.

(4) **Climate Funding Maximization**	-0-	2,000,000

This appropriation is from the general fund for implementation of climate-related programs under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

The base is $2,000,000 in each of fiscal years 2024 and 2025.

Sec. 3. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**	**$-0-**	**$31,180,000**

The appropriations in this section are from the general fund to the Metropolitan Council.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Transit System Operations**

(a) **IIJA Match; Operating Adjustment**	-0-	20,075,000

This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449. This is a onetime appropriation.

$75,000 in fiscal year 2023 is for transit signal priority systems planning.

(b) **Zero-Emission Bus Transition** -0- 5,000,000

This appropriation is for zero-emission bus procurement, charging infrastructure, and associated costs, in conformance with the zero-emission and electric transit vehicle transition plan under Minnesota Statutes, section 473.3927.

The base is $5,000,000 in each of fiscal years 2024 and 2025 and $0 in fiscal year 2026 and thereafter.

(c) **Arterial Bus Rapid Transit Planning** -0- 500,000

This appropriation is for arterial bus rapid transit planning on the J, K, and L Line projects.

The base is $500,000 in each of fiscal years 2024 and 2025.

(d) **Transit Shelter Improvements** -0- 2,000,000

This appropriation is for transit shelter replacement and improvements under Minnesota Statutes, section 473.41. This is a onetime appropriation.

Subd. 3. **Microtransit Service** -0- 1,300,000

This appropriation is for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, to provide expansion and improvements to demand response transit service. The council must make grants to Maple Grove Transit, Minnesota Valley Transit Authority, Plymouth Metrolink, and SouthWest Transit in the amounts specified by the Suburban Transit Association. The council must not retain any portion of the funds under this appropriation. This is a onetime appropriation.

Subd. 4. **Transit Fare Temporary Reduction** -0- 2,305,000

(a) This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449, to provide for foregone revenue due to the requirements in paragraph (b). From this amount, the Metropolitan Council must provide grants to replacement service providers under Minnesota Statutes, section 473.388, in amounts that reflect calculated foregone revenue for each provider due to the requirements in paragraph (b). This is a onetime appropriation.

(b) From July 1, 2022, to August 31, 2022, the Metropolitan Council must: (1) establish a uniform fare schedule that does not exceed $1 for all bus and light rail transit service during peak and nonpeak service hours, including but not limited to express bus and bus rapid transit; and (2) establish a discount under the student, collegiate, and Metropass transit pass programs. The Metropolitan Council may adjust any other reduced, discounted, and circulation fares accordingly.

(c) After accounting for foregone revenue, the Metropolitan Council may use any remaining funds from the appropriation in this subdivision for transit shelter replacement and improvements under Minnesota Statutes, section 473.41.

Sec. 4. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**	**$4,325,000**	**$8,102,000**

Appropriations by Fund

	2022	2023
General	400,000	3,705,000
Special Revenue	3,925,000	2,397,000
Trunk Highway	-0-	2,000,000

The appropriations in this section are from the general fund, or another named fund, to the commissioner of public safety.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Administration and Related Services**		
(a) **Public Safety Officer Survivor Benefits**	-0-	1,000,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44.

The base is $1,640,000 in each of fiscal years 2024 and 2025.

(b) **Soft Body Armor Reimbursements**	400,000	205,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

The base is $950,000 in each of fiscal years 2024 and 2025.

Subd. 3. **State Patrol; Commercial Vehicle Enforcement**	-0-	2,000,000

This appropriation is from the trunk highway fund.

The base is $15,110,000 in each of fiscal years 2024 and 2025.

Subd. 4. **Driver and Vehicle Services**		
(a) **Driver Services**	-0-	2,206,000

This appropriation is from the driver services operating account in the special revenue fund under Minnesota Statutes, section 299A.705, subdivision 2.

$1,029,000 in fiscal year 2023 is for installation and maintenance of security cameras at Driver and Vehicle Services exam sites that are open five or more days per week and for replacement of existing security cameras at the St. Paul examination station. This is a onetime appropriation.

$153,000 in fiscal year 2023 is for the ongoing costs, including costs of staff and information technology operations, of the security cameras installed at Driver and Vehicle Services examination sites.

$100,000 in fiscal year 2023 is for reimbursement to deputy registrars and driver's license agents for the purchase and installation of security cameras at deputy registrar or driver's license agent office locations. Deputy registrars and driver's license agents may submit an application to the commissioner for reimbursement of funds spent to purchase and install security cameras. Upon approval of an application for reimbursement, the commissioner must pay the applicant the lesser of one-half the purchase and installation price or $5,000. When approving applications, the commissioner must prioritize offices that do not currently have security cameras installed. This is a onetime appropriation.

$91,000 in fiscal year 2023 is for data auditing capacity enhancements, including costs of staff and equipment.

$750,000 in fiscal year 2023 is for reimbursement to limited-service driver's license agents for the purchase of equipment necessary for a full-service provider, as defined in section 171.01, subdivision 33a, following application to the commissioner. The commissioner may provide no more than $15,000 to each driver's license agent. This is a onetime appropriation.

$83,000 in fiscal year 2023 is only available if legislation is enacted in the 2022 regular legislative session that establishes requirements for the commissioner of public safety governing a watercraft operator's permit indicator on drivers' licenses and Minnesota identification cards, and this amount is for the applicable implementation costs.

The base is $36,640,000 in each of fiscal years 2024 and 2025.

(b) **Vehicle Services** 3,925,000 191,000

This appropriation is from the vehicle services operating account in the special revenue fund under Minnesota Statutes, section 299A.705.

$3,925,000 in fiscal year 2022 is for the mailing and production costs of license plates.

$90,000 in fiscal year 2023 is for data auditing capacity enhancements, including costs of staff and equipment.

$101,000 in fiscal year 2023 is for an appeals process for information technology system data access revocations, including costs of staff and equipment.

The base is $33,970,000 in each of fiscal years 2024 and 2025.

Subd. 5. **Traffic Safety** -0- 2,500,000

This appropriation is from the general fund for traffic safety activities, including: (1) for staff and operating costs of the Traffic Safety Advisory Council under Minnesota Statutes, section 4.075; (2) to develop the speed safety camera pilot project implementation plan under article 3, section 58; and (3) to expand public outreach and education, coordination and assistance on traffic safety initiatives, grants, and program and project management.

The commissioner may expend up to $20,000 in fiscal year 2023 from the driver and vehicle services technology account in the special revenue fund under Minnesota Statutes, section 299A.705, for records access enhancements to the MNCrash information technology system.

The base for the general fund is $2,978,000 in each of fiscal years 2024 and 2025.

Sec. 5. Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. **State Patrol**

(a) **Patrolling Highways** 113,823,000 112,170,000

Appropriations by Fund

	2022	2023
General	37,000	37,000
H.U.T.D.	92,000	92,000
Trunk Highway	113,694,000	112,041,000

$3,524,000 in fiscal year 2022 and $2,822,000 in fiscal year 2023 are from the trunk highway fund for the purchase, deployment, and management of body-worn cameras.

$7,718,000 in fiscal year 2022 and $6,767,000 in fiscal year 2023 are from the trunk highway fund for staff and equipment costs of additional patrol troopers.

(b) **Commercial Vehicle Enforcement** 10,180,000 10,046,000

$494,000 in fiscal year 2022 and $360,000 in fiscal year 2023 are for the purchase, deployment, and management of body-worn cameras.

(c) **Capitol Security** 20,610,000 16,667,000

This appropriation is from the general fund.

$449,000 in fiscal year 2022 and $395,000 in fiscal year 2023 are for the purchase, deployment, and management of body-worn cameras.

Up to $8,863,000 in fiscal year 2022 and $4,420,000 in fiscal year 2023 are available for staff and equipment costs of additional troopers and nonsworn officers.

The commissioner must not:

(1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

(d) **Vehicle Crimes Unit** 888,000 884,000

This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

$22,000 in fiscal year 2022 and $18,000 in fiscal year 2023 are for the purchase, deployment, and management of body-worn cameras.

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

ARTICLE 2
TRUNK HIGHWAY BONDS

Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

Department of Transportation	$149,000,000
Department of Management and Budget	$149,000
TOTAL	**$149,149,000**

APPROPRIATIONS

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **High-Priority Bridges** $80,000,000

(a) This appropriation is to the commissioner of transportation for land acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of priority trunk highway bridges, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and costs of payments to landowners for lands acquired for highway rights-of-way. The commissioner must conform with the investment priorities identified in the Minnesota state highway investment plan under Minnesota Statutes, section 174.03, subdivision 1c.

(b) The commissioner may use up to 17 percent of the amount for program delivery.

Subd. 2. **Facilities Capital Improvement Program** 69,000,000

(a) This appropriation is to the commissioner of transportation for construction, renovation, and expansion of Department of Transportation buildings and facilities.

(b) The commissioner may use up to 17 percent of the amount for program delivery.

Sec. 3. **BOND SALE EXPENSES** **$149,000**

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 4. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $149,149,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 5. Laws 2021, First Special Session chapter 5, article 2, section 2, subdivision 1, is amended to read:

Subdivision 1. **Corridors of Commerce** $200,000,000

(a) This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088.

(b) This appropriation is available in the amounts of:

(1) $100,000,000 in fiscal year 2024; and

(2) $100,000,000 in fiscal year 2025.

(c) For all available funds under paragraph (b), the commissioner must commence the project selection process under the program by ~~August 1, 2022~~ February 1, 2023.

(d) The commissioner may use up to 17 percent of the amount for program delivery.

(e) The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget must count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (b), and not as the date of enactment of this section.

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

ARTICLE 3
TRANSPORTATION FINANCE AND POLICY

Section 1. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 4. **Traffic Safety Advisory Council; established.** The Traffic Safety Advisory Council is established to advise, consult with, coordinate, and make program recommendations to the commissioners of public safety, transportation, and health on the development and implementation of projects and programs intended to improve traffic safety on all Minnesota road systems. The advisory council serves as the lead for the state Toward Zero Deaths program.

Sec. 2. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 5. **Traffic Safety Advisory Council; membership.** The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by:

(i) a designee from the Office of Traffic Safety in the Department of Public Safety;

(ii) a designee from the Office of Traffic Engineering in the Department of Transportation; and

(iii) a designee from the Injury and Violence Prevention Section in the Department of Health;

(2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);

(3) the director of the state Toward Zero Deaths program;

(4) the chief of the State Patrol or a designee;

(5) a regional coordinator from the Toward Zero Deaths program;

(6) the state traffic safety engineer in the Department of Transportation or a designee;

(7) a law enforcement liaison from the Department of Public Safety;

(8) a representative from the Department of Human Services;

(9) a representative from the Department of Education;

(10) a representative from the Council on Disability;

(11) a representative for Tribal governments appointed by the commissioner of public safety;

(12) a representative from the Center for Transportation Studies at the University of Minnesota;

(13) a representative from the Minnesota Chiefs of Police Association;

(14) a representative from the Minnesota Sheriffs' Association;

(15) a representative from the Minnesota Safety Council;

(16) a representative from AAA Minnesota;

(17) a representative from the Minnesota Trucking Association;

(18) a representative from the Insurance Federation of Minnesota;

(19) a representative from the Association of Minnesota Counties;

(20) a representative from the League of Minnesota Cities;

(21) the American Bar Association State Judicial Outreach Liaison;

(22) a representative from the City Engineers Association of Minnesota;

(23) a representative from the Minnesota County Engineers Association;

(24) a representative from the Bicycle Alliance of Minnesota;

(25) an individual representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance, appointed by the Bicycle Alliance of Minnesota;

(26) a representative from Our Streets Minneapolis; and

(27) a representative from Minnesota Operation Lifesaver.

Sec. 3. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 6. **Traffic Safety Advisory Council; administration.** (a) The Department of Public Safety Office of Traffic Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the financial, administrative, and operational aspects of the advisory council's activities.

(b) The Traffic Safety Advisory Council must meet no less than four times per year or more frequently as determined by the chair, a majority of the council members, or any of the designated commissioners.

(c) The chair must regularly report to the respective commissioners on the activities of the advisory council and on the state of traffic safety in Minnesota.

(d) The terms, compensation, and appointment of members are governed by section 15.059.

(e) The advisory council may appoint subcommittees and working groups. Subcommittees must consist of council members. Working groups may include nonmembers. Nonmembers on working groups must be compensated pursuant to section 15.059, subdivision 3, only for expenses incurred for working group activities.

Sec. 4. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 7. **Traffic Safety Advisory Council; duties.** The Traffic Safety Advisory Council must:

(1) advise the governor and heads of state departments and agencies on policy, programs, and services affecting traffic safety;

(2) advise the director of the state Toward Zero Deaths program and state department representatives on the activities of the Toward Zero Deaths program, including informing and educating the public about traffic safety;

(3) encourage state departments and other agencies to conduct needed research in the field of traffic safety;

(4) review recommendations of the subcommittees and working groups; and

(5) review and comment on all grants dealing with traffic safety and on the development and implementation of state and local traffic safety plans.

Sec. 5. Minnesota Statutes 2020, section 4.075, is amended by adding a subdivision to read:

Subd. 8. **Traffic safety report.** Annually by January 2, the commissioner of public safety must provide a traffic safety report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over traffic safety. The report must analyze the safety of Minnesota's roads and transportation system, including but not limited to:

(1) injuries and fatalities that occur on or near a roadway or transportation system facility;

(2) factors that caused crashes resulting in injuries and fatalities;

(3) roadway and system improvements broadly and at specific locations that could reduce injuries and fatalities;

(4) enforcement and education efforts that could reduce injuries and fatalities;

(5) other safety improvements, programs, or features that will improve the quality of the roadway and transportation use experience; and

(6) existing and needed resources to make roadway and transportation system safety improvements.

Sec. 6. Minnesota Statutes 2020, section 160.08, subdivision 7, is amended to read:

Subd. 7. **No commercial establishment within right-of-way; exceptions.** No commercial establishment, including but not limited to automotive service stations, for serving motor vehicle users shall be constructed or located within the right-of-way of, or on publicly owned or publicly leased land acquired or used for or in connection with, a controlled-access highway; except that:

(1) structures may be built within safety rest and travel information center areas;

(2) space within state-owned buildings in those areas may be leased for the purpose of providing information to travelers through advertising as provided in section 160.276;

(3) advertising signs may be erected within the right-of-way of interstate or controlled-access trunk highways by franchise agreements under section 160.80;

(4) vending machines may be placed in rest areas, travel information centers, or weigh stations constructed or located within trunk highway rights-of-way; ~~and~~

(5) acknowledgment signs may be erected under sections 160.272 and 160.2735~~.~~; and

(6) electric vehicle charging stations may be installed, operated, and maintained in safety rest areas.

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

Sec. 7. **[160.2325] HIGHWAYS FOR HABITAT PROGRAM.**

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

(b) "Integrated roadside vegetation management" means an approach to right-of-way maintenance that combines a variety of techniques with sound ecological principles to establish and maintain safe, healthy, and functional roadsides. Integrated roadside vegetation management includes but is not limited to judicious use of herbicides, spot mowing, biological control, prescribed burning, mechanical tree and brush removal, erosion prevention and treatment, and prevention and treatment of other right-of-way disturbances.

(c) "Program" means the highways for habitat program established in this section.

Subd. 2. **Program establishment.** The commissioner must establish a highways for habitat program to enhance roadsides with pollinator and other wildlife habitat and vegetative buffers.

Subd. 3. **General requirements.** In implementing the program, the commissioner must:

(1) identify and prioritize highways for habitat installations under an integrated roadside vegetation management plan with priority given to new construction and reconstruction;

(2) develop and erect signage, where appropriate, that identifies highways for habitat projects and clearly marks the habitat and management restrictions;

(3) develop and require training for department personnel and contractors that apply pesticides and manage vegetation on the use of integrated roadside vegetation management and native plant identification;

(4) assess, in consultation with the commissioners of natural resources and agriculture, the categorization and management of noxious weeds to reduce the use of mowing and pesticides;

(5) maintain a website that includes information on program implementation, integrated roadside vegetation management, and related best management practices; and

(6) identify funding sources and develop proposals for ongoing funding for the program.

Subd. 4. **Management standards.** (a) The commissioner, in consultation with the commissioner of natural resources and the Board of Water and Soil Resources, must develop standards and best management practices for integrated roadside vegetation management plans under the program.

(b) The standards and best management practices must include:

(1) guidance on seed and vegetation selection based on the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines;

(2) requirements for roadside vegetation management protocols that avoid the use of pollinator lethal insecticides as defined under section 18H.02, subdivision 28a;

(3) practices that are designed to avoid habitat destruction and protect nesting birds, pollinators, and other wildlife; and

(4) identification of appropriate right-of-way tracts for wildflower and native habitat establishment.

Sec. 8. Minnesota Statutes 2020, section 160.266, is amended by adding a subdivision to read:

Subd. 7. **North Star Bikeway.** The North Star Bikeway is designated as a state bicycle route. It must originate in the city of St. Paul in Ramsey County, then proceed north and east to Duluth in St. Louis County, then proceed north and east along the shore of Lake Superior through Grand Marais in Cook County to Minnesota's boundary with Canada, and there terminate.

Sec. 9. Minnesota Statutes 2020, section 161.088, subdivision 1, is amended to read:

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

~~(1)~~ (b) "Beyond the project limits" means any point that is located:

~~(i)~~ (1) outside of the project limits;

~~(ii)~~ (2) along the same trunk highway; and

~~(iii)~~ (3) within the same region of the state;.

~~(2)~~ (c) "City" means a statutory or home rule charter city;.

(d) "Department" means the Department of Transportation.

~~(3)~~ (e) "Program" means the corridors of commerce program established in this section~~; and~~.

~~(4)~~ (f) "Project limits" means the estimated construction limits of a project for trunk highway construction, reconstruction, or maintenance, that is a candidate for selection under the corridors of commerce program.

(g) "Screening entity" means an area transportation partnership, the Metropolitan Council in consultation with the transportation advisory board under section 473.146, subdivision 4, or a specified county.

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

Sec. 10. Minnesota Statutes 2020, section 161.088, subdivision 2, is amended to read:

Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner ~~shall~~ must establish a corridors of commerce program for trunk highway construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state.

(b) The commissioner may expend funds under the program from appropriations to the commissioner that are:

(1) made specifically by law for use under this section;

(2) at the discretion of the commissioner, made for the budget activities in the state roads program of operations and maintenance, program planning and delivery, or state road construction; and

(3) made for the corridor investment management strategy program, unless specified otherwise.

(c) The commissioner ~~shall~~ must include in the program the cost participation policy for local units of government.

(d) The commissioner may use up to 17 percent of any appropriation ~~to the program~~ under this section for program delivery and for project scoring, ranking, and selection under subdivision 5.

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

Sec. 11. Minnesota Statutes 2020, section 161.088, subdivision 4, is amended to read:

Subd. 4. **Project eligibility.** (a) The eligibility requirements for projects that can be funded under the program are:

(1) consistency with the statewide multimodal transportation plan under section 174.03;

(2) location of the project on ~~an interregional corridor~~ the national highway system, as provided under Code of Federal Regulations, title 23, part 470, and successor requirements, for a project located outside of the Department of Transportation metropolitan district;

(3) placement into at least one project classification under subdivision 3;

(4) project construction work will commence within ~~three~~ four years~~, or a longer length of time as determined by the commissioner~~; ~~and~~

(5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data; and

(6) determination of a total project cost estimate with a reasonable degree of accuracy.

(b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.

(c) A project may be, but is not required to be, identified in the 20-year state highway investment plan under section 174.03.

(d) For each project, the commissioner must consider all of the eligibility requirements under paragraph (a). The commissioner is prohibited from considering any eligibility requirement not specified under paragraph (a).

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

Sec. 12. Minnesota Statutes 2020, section 161.088, is amended by adding a subdivision to read:

Subd. 4a. **Project funding; regional balance.** (a) To ensure regional balance throughout the state, the commissioner must distribute all available funds under the program within the following funding categories:

(1) Metro Projects: at least 30 percent and no more than 35 percent of the funds are for projects that are located within, on, or directly adjacent to an area bounded by marked Interstate Highways 494 and 694;

(2) Metro Connector Projects: at least 30 percent and no more than 35 percent of the funds are for projects that:

(i) are not included in clause (1); and

(ii) are located within the department's metropolitan district or within 40 miles of marked Interstate Highway 494 or marked Interstate Highway 694; and

(3) Regional Center Projects: at least 30 percent of the funds are for projects that are not included in clause (1) or (2).

(b) The commissioner must calculate the percentages under paragraph (a) using total funds under the program for (1) the current project selection round, and (2) to the extent applicable, the two most recent prior selection rounds performed on or after the effective date of this section.

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

Sec. 13. Minnesota Statutes 2021 Supplement, section 161.088, subdivision 5, is amended to read:

Subd. 5. **Project selection process; criteria.** (a) The commissioner must establish a process to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional ~~evaluation~~ scoring criteria. The process must include phases as provided in this subdivision.

(b) ~~As part of the project selection process, the commissioner must annually accept recommendations on candidate projects from area transportation partnerships and other interested stakeholders in each Department of Transportation district. The commissioner must determine the eligibility for each candidate project identified under this paragraph. For each eligible project, the commissioner must classify and evaluate the project for the program, using all of the criteria established under paragraph (c).~~ **Phase 1: Project solicitation.** Following enactment of each law that makes additional funds available for the program, the commissioner must undertake a public solicitation of potential projects for consideration. The solicitation must be performed through an Internet recommendation process that allows for an interested party, including an individual, business, local unit of government, corridor group, or interest group, to submit a project for consideration.

(c) **Phase 2: Local screening and recommendations.** The commissioner must present the projects submitted during the open solicitation under Phase 1 to the appropriate screening entity where each project is located. A screening entity must:

(1) consider all of the submitted projects for its area;

(2) solicit input from members of the legislature who represent the area for project review and nonbinding approval or disapproval; and

(3) recommend projects to the commissioner for formal scoring, as provided in Phase 3.

(d) Each screening entity may recommend up to three projects to the commissioner, except that (1) the Metropolitan Council may recommend up to four projects, and (2) Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington Counties may each independently recommend up to two projects. A screening entity may recommend a replacement project for a project that the commissioner determines is ineligible under subdivision 4. Each recommendation must identify any approvals or disapprovals provided by a member of the legislature.

(e) **Phase 3: Project scoring.** The commissioner must confirm project eligibility under subdivision 4 and perform a complete scoring assessment on each of the eligible projects recommended by the screening entities under Phase 2.

(f) Projects must be ~~evaluated~~ scored using all of the following criteria:

(1) a return on investment measure that provides for comparison across eligible projects;

(2) measurable impacts on commerce and economic competitiveness;

(3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles;

(7) support and consensus for the project among members of the surrounding community; and

(8) the time and work needed before construction may begin on the project~~; and~~.

~~(9) regional balance throughout the state.~~

The commissioner must give the criteria in clauses (1) to (8) equal weight in the ~~selection~~ scoring process.

(g) **Phase 4: Project ranking and selection.** Upon completion of project scoring under Phase 3, the commissioner must develop a ranked list of projects based on total score and must select projects in rank order for funding under the program, subject to subdivision 4a. The commissioner must specify the amounts and known or anticipated sources of funding for each selected project.

~~(d) The list of all projects evaluated must be made public and must include the score of each project.~~

(h) **Phase 5: Public information.** The commissioner must publish information regarding the selection process on the department's website. The information must include:

(1) lists of all projects submitted for consideration and all projects recommended by the screening entities;

(2) the scores and ranking for each project; and

(3) an overview of each selected project, including amounts and sources of funding.

~~(e) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.~~

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

Sec. 14. Minnesota Statutes 2020, section 161.115, is amended by adding a subdivision to read:

Subd. 271. **Route No. 340.** Beginning at a point in or adjacent to Upper Sioux Agency State Park; thence extending in a general northwesterly direction to a point on Route No. 67 at or near Granite Falls.

Sec. 15. Minnesota Statutes 2020, section 161.14, is amended by adding a subdivision to read:

Subd. 102. **John Schlegel Memorial Highway.** The segment of marked U.S. Highway 71 from Willmar to the intersection with marked Trunk Highway 7 in Kandiyohi County is designated as "John Schlegel Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 16. Minnesota Statutes 2020, section 161.14, is amended by adding a subdivision to read:

Subd. 103. **Prince Rogers Nelson Memorial Highway.** The segment of marked Trunk Highway 5 within the city limits of Chanhassen is designated "Prince Rogers Nelson Memorial Highway." The commissioner must adopt a suitable design to mark this highway that conforms to the Manual on Uniform Traffic Control Devices adopted by the commissioner under section 169.06, except that to the extent feasible, the sign must include the symbol associated with the artist and be purple in color. Subject to section 161.139, the commissioner must erect appropriate signs.

Sec. 17. **[161.369] INDIAN EMPLOYMENT PREFERENCE.**

As authorized by United States Code, title 23, section 104, paragraph (d), the commissioner may implement an Indian employment preference for members of federally recognized Tribes on projects carried out under United States Code, title 23, on or near an Indian reservation. For purposes of this section, a project is near an Indian reservation if the project is within the distance a person seeking employment could reasonably be expected to commute to and from each workday. The commissioner, in consultation with federally recognized Minnesota Tribes, may determine when a project is near an Indian reservation.

Sec. 18. Minnesota Statutes 2020, section 162.07, subdivision 2, is amended to read:

Subd. 2. **Money needs defined.** For the purpose of this section, money needs of each county are defined as the estimated total annual costs of constructing, over a period of 25 years, the county state-aid highway system ~~in~~ located and established by that county. Costs incidental to construction, or a specified portion thereof as set forth in the commissioner's rules may be included in determining money needs. To avoid variances in costs due to differences in construction policy, construction costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the county engineers of the several counties.

Sec. 19. Minnesota Statutes 2020, section 162.13, subdivision 2, is amended to read:

Subd. 2. **Money needs defined.** For the purpose of this section money needs of each city having a population of 5,000 or more are defined as the estimated cost of constructing and maintaining over a period of 25 years the municipal state-aid street system ~~in~~ located and established by such city. Right-of-way costs and drainage shall be included in money needs. Lighting costs and other costs incidental to construction and maintenance, or a specified portion of such costs, as set forth in the commissioner's rules, may be included in determining money needs. To avoid variances in costs due to differences in construction and maintenance policy, construction and maintenance costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the engineers, or a committee thereof, of the cities.

Sec. 20. Minnesota Statutes 2020, section 162.13, subdivision 3, is amended to read:

Subd. 3. **Screening board.** On or before September 1 of each year, the engineer of each city having a population of 5,000 or more ~~shall~~ must update their data and forward to the commissioner ~~on forms prepared by the commissioner,~~ all information relating to the money needs of the city that the commissioner deems necessary in order to apportion the municipal state-aid street fund in accordance with the apportionment formula ~~heretofore set forth~~. Upon receipt of the information the commissioner ~~shall~~ must appoint a board of city engineers. The board ~~shall~~ must be composed of ~~one engineer from each state highway construction district, and in addition thereto,~~: (1) two city engineers from the metropolitan district; (2) one city engineer from each nonmetropolitan district; and (3) one engineer from each city of the first class. The board ~~shall~~ must investigate and review the information submitted by each city. On or before November 1 of each year, the board ~~shall~~ must submit its findings and recommendations in writing as to each city's money needs to the commissioner on a form prepared by the commissioner. Final determination of the money needs of each city ~~shall~~ must be made by the commissioner. In the

event that any city ~~shall fail~~ fails to submit the required information ~~provided for herein~~, the commissioner ~~shall~~ must estimate the money needs of the city. The estimate ~~shall~~ must be used in solving the apportionment formula. The commissioner may withhold payment of the amount apportioned to the city until the information is submitted.

Sec. 21. Minnesota Statutes 2020, section 168.1235, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) The commissioner shall issue a special plate emblem for each plate to an applicant who:

(1) is a member of a congressionally chartered veterans service organization and is a registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle;

(2) pays the registration tax required by law;

(3) pays a fee in the amount specified for special plates under section 168.12, subdivision 5, for each set of two plates, and any other fees required by this chapter; and

(4) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

(b) The additional fee is payable at the time of initial application for the special plate emblem and when the plates must be replaced or renewed. An applicant must not be issued more than two sets of special plate emblems for motor vehicles listed in paragraph (a) and registered to the applicant.

(c) The applicant must present a valid card indicating membership in the American Legion ~~or~~, Veterans of Foreign Wars, or Disabled American Veterans.

Sec. 22. Minnesota Statutes 2020, section 168.1253, subdivision 3, is amended to read:

Subd. 3. **No fee.** The commissioner shall issue a set of Gold Star plates, or a single plate for a motorcycle, to an eligible person free of charge, and shall replace the plate or plates without charge if they become damaged. If the eligible person requests personalized Gold Star plates, the commissioner must not charge the fees listed in section 168.12, subdivision 2a.

Sec. 23. Minnesota Statutes 2020, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner shall grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner shall inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 120 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) ~~The license must be denied~~ if within the previous ten years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title ~~15, sections~~

~~1981 to 1991~~ 49, sections 32701 to 32711, or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery~~.~~;

(2) ~~A license must be denied~~ if the applicant has had a dealer license revoked within the previous ten years~~.~~; or

(3) if, at the time of inspection, the applicant is not in compliance with location requirements or has intentionally or negligently misrepresented any information on the application that would be grounds for suspension or revocation under subdivision 12.

(f) If the application is approved, the commissioner shall license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(g) Each initial application for a license must be accompanied by a fee of $100 in addition to the annual fee. The annual fee is $150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that $50 of each initial and annual fee must be paid into the vehicle services operating account in the special revenue fund under section 299A.705.

Sec. 24. Minnesota Statutes 2020, section 168A.11, subdivision 3, is amended to read:

Subd. 3. **Records.** Every dealer shall maintain for three years at an established place of business a record in the form the department prescribes of every vehicle bought, sold, or exchanged, or received for sale or exchange, which shall be open to inspection by a representative of the department or peace officer during ~~reasonable business hours~~ inspection hours as listed on the initial dealer license application or as noted on the dealer record. With respect to motor vehicles subject to the provisions of section 325E.15, the record shall include either the true mileage as stated by the previous owner or the fact that the previous owner stated the actual cumulative mileage was unknown; the record also shall include either the true mileage the dealer stated upon transferring the vehicle or the fact the dealer stated the mileage was unknown.

Sec. 25. Minnesota Statutes 2020, section 168B.07, subdivision 3, is amended to read:

Subd. 3. **Retrieval of contents; right to reclaim.** (a) For purposes of this subdivision:

(1) "contents" does not include any permanently affixed mechanical or nonmechanical automobile parts; automobile body parts; or automobile accessories, including audio or video players; and

(2) "relief based on need" includes, but is not limited to, receipt of MFIP and Diversionary Work Program, medical assistance, general assistance, emergency general assistance, Minnesota supplemental aid, MSA-emergency assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance Program (SNAP) benefits, earned income tax credit, or Minnesota working family tax credit.

(b) A unit of government or impound lot operator ~~shall~~ must establish reasonable procedures for retrieval of vehicle contents, and may establish reasonable procedures to protect the safety and security of the impound lot and its personnel.

(c) At any time before the expiration of the waiting periods provided in section 168B.051, a registered owner of a vehicle who provides proof of identity that includes photographic identification and documentation from a government or nonprofit agency or legal aid office that the registered owner is homeless, receives relief based on

need, or is eligible for legal aid services, has the unencumbered right to retrieve any and all contents without charge and regardless of whether the registered owner pays incurred charges or fees, transfers title, or reclaims the vehicle. A refusal by the impound lot operator to allow the registered owner to retrieve the vehicle contents after the owner provides valid documentation is a violation of this paragraph.

(d) An impound lot operator may make copies of the documents presented by the registered owner under paragraph (c), and the impound lot operator must return all of the original documents to the registered owner immediately after copying them.

Sec. 26. Minnesota Statutes 2020, section 168B.07, is amended by adding a subdivision to read:

Subd. 3a. **Retrieval of contents; identification, medicine, and medical equipment.** An impound lot operator must allow any registered vehicle owner to retrieve, or must retrieve for the vehicle owner, proof of identification, prescription medicine, and durable medical equipment, including wheelchairs, prosthetics, canes, crutches, walkers, and external braces, from the impounded vehicle.

Sec. 27. Minnesota Statutes 2020, section 168B.07, is amended by adding a subdivision to read:

Subd. 3b. **Retrieval of contents; notice of denial.** (a) This subdivision applies to an impound lot operator who operates a nonpublic impound lot or who exclusively contracts with a unit of government under section 168B.09 to operate a public impound lot solely for public use.

(b) An impound lot operator who denies a request of a registered vehicle owner to retrieve vehicle contents after the registered owner presents documentation pursuant to subdivision 3, paragraph (c), must, at the time of denial, provide the registered owner with a written statement that identifies the specific reasons for the denial.

Sec. 28. Minnesota Statutes 2020, section 168B.07, is amended by adding a subdivision to read:

Subd. 3c. **Retrieval of contents; public notice.** (a) This subdivision applies to an impound lot operator who operates a nonpublic impound lot or who exclusively contracts with a unit of government under section 168B.09 to operate a public impound lot solely for public use.

(b) An impound lot operator must post a conspicuous notice at its place of operation in the following form:

"If you receive government benefits, are currently homeless, or are eligible for legal aid services, you have the right to get the contents out of your car free of charge IF you give us:

(1) a photo ID (such as a driver's license, passport, or employer ID); AND

(2) documentation from a government or nonprofit agency or from a legal aid office that you get benefits from a government program based on your income; you are homeless; or you are eligible for legal aid services. Examples of this documentation include BUT ARE NOT LIMITED TO:

- an EBT card;

- a Medical Assistance or MinnesotaCare card;

- a Supplemental Nutrition Assistance Program (SNAP) card; and

- a letter, e-mail, or other document from a government agency, a nonprofit organization, or a legal aid organization showing that you get benefits from a government program based on your income, you are homeless, or you are eligible for legal aid services."

Sec. 29. Minnesota Statutes 2020, section 168B.07, is amended by adding a subdivision to read:

Subd. 3d. **Retrieval of contents; remedy.** (a) An aggrieved registered vehicle owner has a cause of action as provided in this subdivision against an impound lot operator who operates a nonpublic impound lot or who exclusively contracts with a unit of government under section 168B.09 to operate a public impound lot solely for public use if the impound lot operator denies the registered owner the right to retrieve the vehicle contents in violation of subdivision 3, paragraph (c).

(b) If the vehicle and its contents remain in the possession of the impound lot operator and retrieval of the vehicle contents was denied in violation of subdivision 3, paragraph (c), an aggrieved registered vehicle owner is entitled to injunctive relief to retrieve the vehicle contents as well as reasonable attorney fees and costs.

(c) If an impound lot operator sells or disposes of the vehicle contents after the registered owner has provided the documentation required under subdivision 3, paragraph (c), an aggrieved registered vehicle owner is entitled to statutory damages in an amount of $1,000 and reasonable attorney fees and costs. An action brought pursuant to this paragraph must be brought within 12 months of when the vehicle was impounded.

Sec. 30. Minnesota Statutes 2020, section 169.14, is amended by adding a subdivision to read:

Subd. 5i. **Certain speed limits in Ramsey County.** (a) For purposes of this subdivision, "suburban residential roadway" means a county highway that is (1) in an area zoned exclusively for housing, or (2) adjacent to a city, county, or regional park.

(b) Ramsey County may establish a speed limit of 30 miles per hour on a suburban residential roadway under its jurisdiction, without conducting an engineering and traffic investigation.

(c) A speed limit under paragraph (b) is effective once the county erects signs designating the speed limit and indicating the beginning and end of the suburban residential roadway on which the speed limit applies.

Sec. 31. Minnesota Statutes 2020, section 169.18, subdivision 3, is amended to read:

Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:~~

~~(1)~~ (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction ~~shall~~ must pass to the left ~~thereof~~ of the other vehicle at a safe distance and ~~shall not again drive~~ is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle~~;~~.

~~(2)~~ (b) Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle ~~shall~~ must give way to the right in favor of the overtaking vehicle ~~on audible warning,~~ and ~~shall~~ must not increase ~~the~~ speed ~~of the overtaken vehicle~~ until completely passed by the overtaking vehicle~~; and~~.

~~(3)~~ (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway ~~shall leave~~ or shoulder must:

(1) either:

(i) maintain a safe clearance distance while passing, ~~but in no case less than~~ which must be at least the greater of three feet ~~clearance, when passing the bicycle or individual~~ or one-half the width of the motor vehicle; or

(ii) completely enter another lane of the roadway while passing; and ~~shall~~

(2) maintain clearance until the motor vehicle has safely ~~past~~ passed the overtaken bicycle or individual.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 32. Minnesota Statutes 2021 Supplement, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a road must ride as close ~~as practicable~~ to the right-hand curb or edge of the ~~roadway except under any of the following situations~~ road as the bicycle operator determines is safe. A person operating a bicycle is not required to ride as close to the right-hand curb or edge when:

(1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

(2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

(3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or ~~narrow width~~ narrow-width lanes~~, that make it unsafe to continue along the right-hand curb or edge; or~~;

(4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane~~.~~; or

(5) operating in a right-hand turn lane before entering an intersection.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder ~~shall~~ must not ride more than two abreast and ~~shall not impede the normal and reasonable movement of traffic and~~, on a laned roadway, ~~shall~~ must ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, ~~shall~~ must yield the right-of-way to any pedestrian and ~~shall~~ give an audible signal when necessary before overtaking and passing any pedestrian. ~~No~~ A person ~~shall~~ must not ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway ~~shall~~ must (1) give an audible signal a safe distance before overtaking a bicycle or individual, (2) leave a safe clearance distance when overtaking a bicycle or individual proceeding in the same direction ~~on the bikeway~~, and ~~shall~~ (3) maintain clearance until safely past the overtaken bicycle or individual.

(f) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an intersection proceeding from the leftmost one-third of a dedicated right-hand turn lane without turning right.

Sec. 33. **[169.4476] EMERGENCY RESPONSE SCHOOL BUS USE.**

Subdivision 1. **Emergency school bus use authority.** A school bus, when operated by a school district or by an operator under an agreement with a school district, may be used to assist in the response to an emergency or disaster as defined in section 12.03 for the purpose of evacuating a region or community.

Subd. 2. **Requirements.** (a) A school district or operator may operate a school bus under this section if:

(1) an emergency or disaster has been declared by the chief fire or law enforcement officer overseeing the response;

(2) immediate emergency evacuation or relocation is required to remove individuals from an imminent threat to health or safety; and

(3) the transportation of individuals takes place only within the state of Minnesota.

(b) Nothing in this section exempts the school bus driver from the licensing requirements under section 171.02.

Subd. 3. **Registration exemption.** A school bus operated under this section and displaying registration in accordance with section 168.012, subdivision 1, paragraph (a), clause (2), or 168.013, subdivision 18, may be operated without reregistration of the bus, issuance of new plates, or payment of additional taxes and fees, as may be required under chapter 168.

Subd. 4. **Annual inspection requirement.** For purposes of this section, a school bus displaying a current inspection certificate issued in accordance with section 169.451, subdivision 2, is exempt from the inspection requirements under section 169.781, subdivision 2.

Subd. 5. **School bus equipment.** (a) Notwithstanding section 169.441, subdivision 3, paragraph (b), or 169.448, subdivision 1, a school bus operated under this section may be:

(1) painted national school bus glossy yellow; and

(2) equipped with school bus-related equipment and printing.

(b) A school bus operated under this section is prohibited from using the equipment required under section 169.442.

Sec. 34. Minnesota Statutes 2020, section 169.8261, is amended to read:

169.8261 ~~GROSS WEIGHT LIMITATIONS;~~ FOREST PRODUCTS SPECIAL PERMIT.

Subdivision 1. ~~**Exemption**~~ **Definition.** ~~(a)~~ For purposes of this section, "raw or unfinished forest products" include wood chips, paper, pulp, oriented strand board, laminated strand lumber, hardboard, treated lumber, untreated lumber, or barrel staves.

~~(b) In compliance with this section, a person may operate a vehicle or combination of vehicles to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections 169.823 to 169.829.~~

Subd. 1a. **Six-axle vehicle permit.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections 169.823 to 169.829 and be operated with a gross vehicle weight of up to:

(1) 90,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) A vehicle or combination of vehicles with a permit under this subdivision must not be operated on an interstate highway, except as provided under United States Code, title 23, section 127(q), for operation on the specified segment of marked Interstate Highway 35.

Subd. 1b. **Six-axle and over-width vehicle permit.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections 169.823 to 169.829 and be operated with:

(1) a gross vehicle weight of up to:

(i) 90,000 pounds; and

(ii) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1; and

(2) a total outside width of the vehicle or the load that does not exceed 114 inches.

(b) In addition to the conditions in subdivision 2, a vehicle or combination of vehicles operated with a permit under this subdivision must:

(1) display red or orange flags, 18 inches square, as markers at the front and rear and on both sides of the load; and

(2) not be operated on any road in a metropolitan county, as defined in section 473.121, subdivision 4.

(c) A vehicle or combination of vehicles with a permit under this subdivision may only be operated on an interstate highway:

(1) as provided under United States Code, title 23, section 127(q), for operation on the specified segment of marked Interstate Highway 35; or

(2) if the gross vehicle weight does not exceed 80,000 pounds.

Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles ~~described in subdivision 1~~ operated under this section must:

(1) comply with seasonal load restrictions in effect between the dates set by the commissioner under section 169.87, subdivision 2;

(2) comply with bridge load limits posted under section 169.84;

(3) be equipped and operated with six or more axles and brakes on all wheels;

~~(4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle weight during the time when seasonal increases are authorized under section 169.826;~~

~~(5) not be operated on interstate highways;~~

~~(6) obtain an annual permit from the commissioner of transportation;~~

(4) be operated under a permit issued by each road authority having jurisdiction over a road on which the vehicle is operated if required;

~~(7)~~ (5) obey all road and bridge postings, including those pertaining to lane or roadway width; and

~~(8)~~ (6) not exceed 20,000 pounds gross weight on any single axle.

(b) A vehicle operated under this section may exceed the legal axle weight limits listed in section 169.824 by not more than 12.5 percent; except that, the weight limits may be exceeded by not more than 23.75 percent during the time when seasonal increases are authorized under section 169.826, subdivision 1.

~~(c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles hauling raw or unfinished forest products may operate on the segment of marked Interstate Highway 35 provided under United States Code, title 23, section 127(q)(2)(D).~~

Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 35. Minnesota Statutes 2021 Supplement, section 169A.60, subdivision 13, is amended to read:

Subd. 13. **Special registration plates.** (a) At any time during the effective period of an impoundment order, a violator or registered owner may apply to the commissioner for new registration plates, which must bear a special series of numbers or letters so as to be readily identified by traffic law enforcement officers. ~~The commissioner may authorize the issuance of special plates if:~~

~~(1) the violator has a qualified licensed driver whom the violator must identify;~~

~~(2) the violator or registered owner has a limited license issued under section 171.30;~~

~~(3) the registered owner is not the violator and the registered owner has a valid or limited driver's license;~~

~~(4) a member of the registered owner's household has a valid driver's license; or~~

~~(5) the violator has been reissued a valid driver's license.~~

(b) The commissioner may not issue new registration plates for that vehicle subject to plate impoundment for a period of at least one year from the date of the impoundment order. In addition, if the owner is the violator, new registration plates may not be issued for the vehicle unless the person has been reissued a valid driver's license in accordance with chapter 171.

(c) A violator may not apply for new registration plates for a vehicle at any time before the person's driver's license is reinstated.

(d) The commissioner may issue the special plates on payment of a $50 fee for each vehicle for which special plates are requested, except that a person who paid the fee required under paragraph (f) must not be required to pay an additional fee if the commissioner issued an impoundment order pursuant to paragraph (g).

(e) Paragraphs (a) to (d) notwithstanding, the commissioner must issue upon request new registration plates for any vehicle owned by a violator or registered owner for which the registration plates have been impounded if:

(1) the impoundment order is rescinded;

(2) the vehicle is transferred in compliance with subdivision 14; or

(3) the vehicle is transferred to a Minnesota automobile dealer licensed under section 168.27, a financial institution that has submitted a repossession affidavit, or a government agency.

(f) Notwithstanding paragraphs (a) to (d), the commissioner, upon request and payment of a $100 fee for each vehicle for which special plates are requested, must issue new registration plates for any vehicle owned by a violator or registered owner for which the registration plates have been impounded if the violator becomes a program participant in the ignition interlock program under section 171.306. This paragraph does not apply if the registration plates have been impounded pursuant to paragraph (g).

(g) The commissioner shall issue a registration plate impoundment order for new registration plates issued pursuant to paragraph (f) if, before a program participant in the ignition interlock program under section 171.306 has been restored to full driving privileges, the program participant:

(1) either voluntarily or involuntarily ceases to participate in the program for more than 30 days; or

(2) fails to successfully complete the program as required by the Department of Public Safety due to:

(i) two or more occasions of the participant's driving privileges being withdrawn for violating the terms of the program, unless the withdrawal is determined to be caused by an error of the department or the interlock provider; or

(ii) violating the terms of the contract with the provider as determined by the provider.

Sec. 36. Minnesota Statutes 2021 Supplement, section 171.0605, subdivision 5, is amended to read:

Subd. 5. **Evidence; residence in Minnesota.** (a) Submission of two forms of documentation from the following is satisfactory evidence of an applicant's principal residence address in Minnesota under section 171.06, subdivision 3, paragraph (b):

(1) a home utility services bill issued no more than 12 months before the application;

(2) a home utility services hook-up work order issued no more than 12 months before the application;

(3) United States bank or financial information issued no more than 12 months before the application, with account numbers redacted, including:

(i) a bank account statement;

(ii) a credit card or debit card statement;

(iii) a brokerage account statement; or

(iv) a money market account statement;

(4) a certified transcript from a United States high school, if issued no more than 180 days before the application;

(5) a certified transcript from a Minnesota college or university, if issued no more than 180 days before the application;

(6) an employment pay stub issued no more than 12 months before the application that lists the employer's name and address;

(7) a Minnesota unemployment insurance benefit statement issued no more than 12 months before the application;

(8) a statement from an assisted living facility licensed under chapter 144G, nursing home licensed under chapter 144A, or a boarding care facility licensed under sections 144.50 to 144.56, that was issued no more than 12 months before the application;

(9) a current policy or card for health, automobile, homeowner's, or renter's insurance;

(10) a federal or state income tax return for the most recent tax filing year;

(11) a Minnesota property tax statement for the current or prior calendar year or a proposed Minnesota property tax notice for the current year that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(12) a Minnesota vehicle certificate of title;

(13) a filed property deed or title for current residence;

(14) a Supplemental Security Income award statement issued no more than 12 months before the application;

(15) mortgage documents for the applicant's principal residence;

(16) a residential lease agreement for the applicant's principal residence issued no more than 12 months before the application;

(17) a valid driver's license, including an instruction permit, issued under this chapter;

(18) a valid Minnesota identification card;

(19) an unexpired Minnesota professional license;

(20) an unexpired Selective Service card;

(21) military orders that are still in effect at the time of application;

(22) a cellular phone bill issued no more than 12 months before the application; or

(23) a valid license issued pursuant to the game and fish laws.

(b) In lieu of one of the two documents required by paragraph (a), an applicant under the age of 18 may use a parent or guardian's proof of principal residence as provided in this paragraph. The parent or guardian of the applicant must provide a document listed under paragraph (a) that includes the parent or guardian's name and the same address as the address on the document provided by the applicant. The parent or guardian must also certify that the applicant is the child of the parent or guardian and lives at that address.

(c) A document under paragraph (a) must include the applicant's name and principal residence address in Minnesota.

(d) For purposes of this section and Minnesota Rules, part 7410.0410, Internet service is a home utility service.

Sec. 37. Minnesota Statutes 2021 Supplement, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. If the participant has previously been convicted of violating section 169.791, 169.793, or 169.797 or the participant's license has previously been ~~suspended~~ revoked or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant whose driver's license has been: (1) revoked under section 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph (a), clause (1), (2), or (3); 169A.54, subdivision 1, clause (1), (2), (3), or (4); or 171.177, subdivision 4, paragraph (a), clause (1), (2), or (3), or subdivision 5, paragraph (a), clause (1), (2), or (3); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has fewer than two qualified prior impaired driving incidents within the past ten years or fewer than three qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(d) A program participant whose driver's license has been: (1) revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6), or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5, paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm, where the participant has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents ever; may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed chemical dependency treatment or rehabilitation program as recommended in a chemical use assessment. As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed chemical dependency treatment or rehabilitation program. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall extend the time period that the participant must participate in the program until the participant has reached the required abstinence period described in section 169A.55, subdivision 4.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under section 169A.55 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Sec. 38. **[174.125] FEDERAL FUNDS LOCAL ASSISTANCE PROGRAM.**

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

(b) "Commissioner" means the commissioner of transportation.

(c) "Program" means the federal funds local assistance program established in this section.

Subd. 2. **Program established.** The commissioner must implement a federal funds local assistance program to provide local match aid in an application for federal discretionary or competitive grants.

Subd. 3. **Program administration.** (a) The commissioner must establish program requirements, including but not limited to: eligibility of projects; solicitation procedures; an application process that is designed to minimize requirements and applicant burdens and to align with federal application requirements; criteria to evaluate applications and select aid recipients subject to subdivision 6; procedures to commit and pay financial assistance; and a schedule that allows for application, evaluation, and awards of aid on a biannual or more frequent basis.

(b) The commissioner must make reasonable efforts to publicize each solicitation among all eligible grant recipients. The commissioner must assist applicants to create and submit applications.

(c) The commissioner may expend up to five percent of available funds in a fiscal year under this section on program administration.

Subd. 4. **Local match aid.** (a) From funds made available under the program, the commissioner must provide aid to an eligible recipient as provided under subdivision 5. The aid may be provided as direct financial assistance or as a commitment to provide a specific amount of financial assistance contingent on an award of a federal grant to the eligible grant recipient.

(b) Aid under the program:

(1) must provide for a match requirement under a federal discretionary or competitive grant in a manner that meets federal requirements;

(2) must be for a transportation-related project, program, or expenditure;

(3) may equal a portion or the entire amount necessary for the federal match requirement; and

(4) may exceed the amount necessary for the federal match requirement if the commissioner determines that an additional local match is:

(i) materially likely to increase the competitiveness of the federal application; and

(ii) anticipated to be generally comparable to competing applications for the federal grant.

(c) If a federal grant award amount differs from the amount anticipated at the time of application for aid under the program, the commissioner may adjust the aid amount provided for the project or leave the aid amount unchanged.

Subd. 5. **Aid recipient eligibility.** The following are eligible aid recipients under the program:

(1) a local unit of government, including but not limited to metropolitan planning organizations;

(2) a Tribal government of a Tribe recognized by the United States Department of the Interior Bureau of Indian Affairs;

(3) a partnership of entities identified in clauses (1) and (2);

(4) the commissioner on behalf of or acting as the agent of a local unit of government or a Tribal government; and

(5) an entity that is eligible for a federal grant under the applicable federal program.

Subd. 6. **Project evaluation.** The commissioner must establish criteria to evaluate projects for aid under the program. At a minimum, the criteria must provide for prioritization and project selection based on:

(1) the extent to which the project provides an identifiable impact in the following:

(i) improvements to traffic safety;

(ii) improvements to pedestrian and bicyclist safety;

(iii) reduction in vehicle miles traveled;

(iv) providing for increased use of low-emission or zero-emission vehicles;

(v) reduction in greenhouse gas emissions; and

(vi) increases in equity for transportation facilities or programs in communities that are historically or currently underrepresented in local or regional transportation planning or projects, including Indigenous communities, communities of color, low-income households, people with disabilities, and people with limited English proficiency;

(2) anticipated competitiveness of the project for a federal grant or the existence of a federal grant award for the project;

(3) measurable benefits with respect to transportation system performance targets or system plans; and

(4) alignment with the transportation system goal under section 174.01, subdivision 2, clause (9).

Subd. 7. **Allocation categories.** (a) The commissioner must categorize projects into one of the allocation categories under paragraph (b). For a project that may be reasonably categorized into more than one of the allocation categories, the commissioner must determine the allocation category that reflects the predominant purpose of the project.

(b) In each fiscal year in which local match aid is provided under the program, the commissioner must apportion the aid among the following allocation categories:

(1) 15 percent for local road and bridge projects;

(2) ten percent for transit projects outside the metropolitan area, as defined in section 473.121, subdivision 2;

(3) five percent for active transportation projects;

(4) three percent for electric vehicle infrastructure projects; and

(5) 67 percent on a flexible basis, which includes projects that are not otherwise categorized under this paragraph and projects that are categorized under clauses (1) to (4).

(c) The commissioner may reallocate funds that remain in an allocation category under paragraph (b) following the conclusion of aid awards in a fiscal year.

Subd. 8. **Legislative report.** (a) Annually by December 15, the commissioner must submit a report on the program to the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) an overview of program implementation;

(2) a review of the project evaluation criteria established under subdivision 6;

(3) a fiscal review that includes a summary of aid awarded under the program with a breakout by allocation category under subdivision 7 and the associated federal grants;

(4) an amount that is recommended to appropriate for the program in each of the upcoming two fiscal years, including an analysis of development of the recommended amount and an estimated breakout of aid by transportation mode or similar categorization; and

(5) any recommendations for legislative changes to the program.

(b) This subdivision expires June 30, 2026.

Sec. 39. **[174.127] FEDERAL GRANTS TECHNICAL ASSISTANCE.**

(a) Subject to funds made available for purposes of this section, the commissioner must establish a process that provides for technical assistance to a requesting local unit of government or Tribal government that seeks to evaluate or submit an application for a federal discretionary grant for a transportation project, program, or expenditure.

(b) As necessary, the commissioner must prioritize requests for technical assistance based on applicant capacity to effectively complete a competitive federal grant application and history of prior federal grant applications.

(c) Technical assistance includes but is not limited to:

(1) providing support for grant writing, analysis, technical review, application finalization, or similar activities;

(2) providing general programmatic or legal information necessary to complete an application; and

(3) making information available on general actions to enhance the competitiveness of federal applications.

Sec. 40. Minnesota Statutes 2020, section 174.52, subdivision 3, is amended to read:

Subd. 3. **Advisory committee.** (a) The commissioner ~~shall~~ must establish a local road improvement program advisory committee consisting of ~~five~~ the following members~~, including~~:

(1) one county commissioner;

(2) one county engineer;

(3) one city engineer;

(4) one city council member or city administrator representing a city with a population over 5,000; ~~and~~

(5) one city council member or city administrator representing a city with a population under 5,000; and

(6) one town board member appointed by the Minnesota Association of Townships.

(b) The advisory committee ~~shall~~ must provide recommendations to the commissioner regarding expenditures from the accounts established in this section.

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

Sec. 41. Minnesota Statutes 2020, section 216D.03, is amended by adding a subdivision to read:

Subd. 5. **Excavation notice system performance reporting.** (a) Each operator must submit a report to the Office of Pipeline Safety on a quarterly basis, using a form or database entry designated by the Office of Pipeline Safety. The report must contain the following information:

(1) the total number of notifications and the number of notifications itemized by type;

(2) for each notification type, the percentage of notifications marked by the start time on the notice; and

(3) the number of utility damages, itemized by the cause of the damages.

(b) An operator, other than a pipeline operator subject to chapter 299F or 299J, with fewer than 5,000 notifications received during the previous calendar year is exempt from the reporting requirement under paragraph (a).

Sec. 42. Minnesota Statutes 2020, section 219.1651, is amended to read:

219.1651 GRADE CROSSING SAFETY ACCOUNT.

A Minnesota grade crossing safety account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account is appropriated to the commissioner of transportation for rail-highway grade crossing safety projects on public streets and highways, including engineering costs and other costs associated with administration and delivery of grade crossing safety projects. At the discretion of the commissioner of transportation, money in the account at the end of each biennium may cancel to the trunk highway fund.

Sec. 43. Minnesota Statutes 2020, section 221.025, is amended to read:

221.025 EXEMPTIONS.

The provisions of this chapter requiring a certificate or permit to operate as a motor carrier do not apply to the intrastate transportation described below:

(1) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451 ~~and~~, the transportation of children or parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected and certified under section 169.451, and the use of a school bus while operating in accordance with section 169.4476;

(2) the transportation of solid waste, as defined in section 116.06, subdivision 22, including recyclable materials and waste tires, except that the term "hazardous waste" has the meaning given it in section 221.012, subdivision 18;

(3) a commuter van as defined in section 221.012, subdivision 9;

(4) authorized emergency vehicles as defined in section 169.011, subdivision 3, including ambulances; and tow trucks equipped with proper and legal warning devices when picking up and transporting (i) disabled or wrecked motor vehicles or (ii) vehicles towed or transported under a towing order issued by a public employee authorized to issue a towing order;

(5) the transportation of grain samples under conditions prescribed by the commissioner;

(6) the delivery of agricultural lime;

(7) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(8) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(9) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(10) the transportation of fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(11) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(12) the transportation of agricultural, horticultural, dairy, livestock, or other farm products within an area having a 100-mile radius from the person's home post office and the carrier may transport other commodities within the 100-mile radius if the destination of each haul is a farm;

(13) the transportation of newspapers, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less; and

(14) transportation of potatoes from the field of production, or a storage site owned or otherwise controlled by the producer, to the first place of processing.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation.

Sec. 44. Minnesota Statutes 2020, section 299A.41, subdivision 3, is amended to read:

Subd. 3. **Killed in the line of duty.** (a) "Killed in the line of duty" does not include deaths from natural causes, except as provided in this subdivision. In the case of a public safety officer, killed in the line of duty includes the death of a public safety officer caused by accidental means while the public safety officer is acting in the course and scope of duties as a public safety officer.

(b) Killed in the line of duty also means if a public safety officer dies as the direct and proximate result of a heart attack, stroke, or vascular rupture, that officer shall be presumed to have died as the direct and proximate result of a personal injury sustained in the line of duty if:

(1) that officer, while on duty:

(i) engaged in a situation, and that engagement involved nonroutine stressful or strenuous physical law enforcement, fire suppression, rescue, hazardous material response, emergency medical services, prison security, disaster relief, or other emergency response activity; or

(ii) participated in a training exercise, and that participation involved nonroutine stressful or strenuous physical activity;

(2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

(i) while engaging or participating under clause (1);

(ii) while still on duty after engaging or participating under clause (1); or

(iii) not later than 24 hours after engaging or participating under clause (1); and

(3) the presumption is not overcome by competent medical evidence to the contrary.

(c) Killed in the line of duty includes the death of a public safety officer that is:

(1) the result of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer; or

(2) the result of suicide secondary to a diagnosis of post-traumatic stress disorder as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by the American Psychiatric Association.

Sec. 45. Minnesota Statutes 2020, section 299D.03, subdivision 5, is amended to read:

Subd. 5. **Traffic fines and forfeited bail money.** (a) All fines and forfeited bail money collected from persons apprehended or arrested by officers of the State Patrol shall be transmitted by the person or officer collecting the fines, forfeited bail money, or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the commissioner of management and budget. Except where a different disposition is required in this subdivision or section 387.213, or otherwise provided by law, three-eighths of these receipts must be deposited in the state treasury and credited to the state general fund. The other five-eighths of these receipts must be deposited in the state treasury and credited as follows: (1) the first ~~$1,000,000~~ $2,500,000 in each fiscal year must be credited to the Minnesota grade crossing safety account in the special revenue fund, and (2) remaining receipts must be credited to the state trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be deposited in the state treasury and credited to the state general fund, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be deposited in the state treasury and credited to the Minnesota grade crossing safety account or the state trunk highway fund as provided in this paragraph. When section 387.213 also is applicable to the fine, section 387.213 shall be applied before this paragraph is applied. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) All fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be transmitted by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the commissioner of management and budget. Five-eighths of these receipts shall be deposited in the state treasury and credited to the state highway user tax distribution fund. Three-eighths of these receipts shall be deposited in the state treasury and credited to the state general fund.

Sec. 46. Minnesota Statutes 2020, section 299F.60, subdivision 1, is amended to read:

Subdivision 1. **Money penalty.** Any person who violates any provision of sections 299F.56 to 299F.641, or any rule issued thereunder, is subject to a civil penalty to be imposed by the commissioner not to exceed ~~$100,000 for each violation for each day that the violation persists, except that the maximum civil penalty must not exceed $1,000,000 for any related series of violations~~ the maximum penalties listed in Code of Federal Regulations, title 49, part 190.

Sec. 47. Minnesota Statutes 2020, section 299J.16, subdivision 1, is amended to read:

Subdivision 1. **Civil penalty.** (a) A pipeline operator who violates section 299J.07, subdivision 1, or 299J.15, or the rules of the commissioner implementing those sections, shall forfeit and pay to the state a civil penalty in an amount to be determined by the court, up to ~~$100,000 for each day that the operator remains in violation, subject to a maximum of $1,000,000 for a related series of violations~~ the maximum penalties listed in Code of Federal Regulations, title 49, part 190.

(b) The penalty provided under this subdivision may be recovered by an action brought by the attorney general at the request of the commissioner, in the name of the state, in connection with an action to recover expenses of the director under section 299J.13, subdivision 4:

(1) in the District Court of Ramsey County; or

(2) in the county of the defendant's residence.

Sec. 48. Minnesota Statutes 2021 Supplement, section 360.55, subdivision 9, is amended to read:

Subd. 9. **Small unmanned aircraft systems.** (a) Any small unmanned aircraft system ~~in which the unmanned aircraft weighs less than 55 pounds at takeoff, including payload and anything affixed to the aircraft, either~~, as defined in section 360.013, subdivision 57b:

(1) must be registered in the state for an annual fee of $25; or

(2) is not subject to registration or an annual fee if the unmanned aircraft system is owned and operated solely for recreational purposes.

(b) An unmanned aircraft system that meets the requirements under paragraph (a) is exempt from aircraft registration tax under sections 360.511 to 360.67.

(c) Owners must, at the time of registration, provide proof of insurability in a form acceptable to the commissioner. Additionally, owners must maintain records and proof that each flight was covered by an insurance policy with limits of not less than $300,000 per occurrence for bodily injury or death to nonpassengers in any one accident. The insurance must comply with section 60A.081, unless that section is inapplicable under section 60A.081, subdivision 3.

Sec. 49. Minnesota Statutes 2021 Supplement, section 360.59, subdivision 10, is amended to read:

Subd. 10. **Certificate of insurance.** (a) Every owner of aircraft in this state when applying for registration, reregistration, or transfer of ownership shall supply any information the commissioner reasonably requires to determine that the aircraft during the period of its contemplated operation is covered by an insurance policy with limits of not less than $100,000 per passenger seat liability both for passenger bodily injury or death and for property damage; not less than $100,000 for bodily injury or death to each nonpassenger in any one accident; and not less than $300,000 per occurrence for bodily injury or death to nonpassengers in any one accident. The insurance must comply with section 60A.081, unless that section is inapplicable under section 60A.081, subdivision 3.

The information supplied to the commissioner must include but is not limited to the name and address of the owner, the period of contemplated use or operation, if any, and, if insurance coverage is then presently required, the name of the insurer, the insurance policy number, the term of the coverage, policy limits, and any other data the commissioner requires. No certificate of registration shall be issued pursuant to subdivision 3 in the absence of the information required by this subdivision.

(b) In the event of cancellation of aircraft insurance by the insurer, the insurer shall notify the Department of Transportation at least ten days prior to the date on which the insurance coverage is to be terminated. Unless proof of a new policy of insurance is filed with the department meeting the requirements of this subdivision during the period of the aircraft's contemplated use or operation, the registration certificate for the aircraft shall be revoked forthwith.

(c) Nothing in this subdivision shall be construed to require an owner of aircraft to maintain passenger seat liability coverage on aircraft for which an experimental certificate has been issued by the administrator of the Federal Aviation Administration pursuant to Code of Federal Regulations, title 14, sections 21.191 to 21.195 and 91.319, whereunder persons operating the aircraft are prohibited from carrying passengers in the aircraft or for an unmanned aircraft. Whenever the aircraft becomes certificated to carry passengers, passenger seat liability coverage shall be required as provided in this subdivision.

(d) The requirements of this subdivision shall not apply to any aircraft built by the original manufacturer prior to December 31, 1939, and owned and operated solely as a collector's item, if the owner files an affidavit with the commissioner. The affidavit shall state the owner's name and address, the name and address of the person from

whom the aircraft was purchased, the make, year, and model number of the aircraft, the federal aircraft registration number, the manufacturer's identification number, and that the aircraft is owned and operated solely as a collector's item and not for general transportation purposes.

(e) A small unmanned aircraft system that meets the requirements of section 360.55, subdivision 9, is not subject to the requirements under paragraphs (a) and (b). ~~Owners of small unmanned aircraft systems that meet the requirements of section 360.55, subdivision 9, must, at the time of registration, provide proof of insurability in a form acceptable to the commissioner. Additionally, such operators must maintain records and proof that each flight was insured for the limits established in paragraph (a).~~

Sec. 50. Minnesota Statutes 2020, section 473.375, is amended by adding a subdivision to read:

Subd. 9b. **Safe accessibility training.** (a) The council must ensure that vehicle operators who provide bus service receive training on assisting persons with disabilities and mobility limitations to enter and leave the vehicle. The training must cover assistance in circumstances where regular access to or from the vehicle is unsafe due to snow, ice, or other obstructions. This subdivision applies to vehicle operators employed by the Metropolitan Council or by a replacement service provider.

(b) The council must consult with the Transportation Accessibility Advisory Committee on the training.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 51. **[473.4075] TRANSIT SAFETY REPORTING.**

(a) By February 15 annually, the council must submit a report on transit safety and administrative citations to the members of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must:

(1) provide an overview of transit safety issues and actions taken by the council to improve safety;

(2) provide an overview of administrative citations under section 473.4085, including a summary of implementation and analysis of impacts of the program on fare compliance and customer experience for riders;

(3) for each of the previous three calendar years, provide data and statistics on:

(i) crime rates occurring on public transit vehicles and at transit stops and stations;

(ii) the number of warnings and criminal citations issued by the Metropolitan Transit Police, with a breakout by categorized reasons for a warning or citation; and

(iii) the number of administrative citations issued, with a breakout by issuance by peace officers, community service officers, and other authorized nonsworn personnel;

(4) for each of the previous three calendar years, state the number of peace officers employed by the Metropolitan Transit Police Department;

(5) state the average number of peace officers employed by the Metropolitan Transit Police Department for the previous three calendar years; and

(6) make recommendations on how to improve safety on public transit and transit stops and stations, and for legislative changes, if any.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 52. **[473.4085] ADMINISTRATIVE CITATIONS.**

Subdivision 1. **Authority.** (a) Subject to requirements established by the Metropolitan Council, the council may issue an administrative citation to a person who commits a violation under section 609.855, subdivision 1, paragraph (a), clause (1), if the violation occurs:

(1) in a council transit vehicle or transit facility in the metropolitan area; or

(2) in the case of commuter rail service, in a council commuter vehicle or commuter facility in any corridor that is located in whole or in part in the metropolitan area.

(b) Transit fare compliance may be enforced and administrative citations may be issued by peace officers of the council's Metropolitan Transit Police, and by community service officers or other nonsworn personnel as authorized by the council.

Subd. 2. **Fine; contested citation; resolution.** (a) A person who is issued an administrative citation under this section must, within 90 days of issuance, pay a fine as determined by the council. A person who fails to either pay the fine or contest the administrative citation within the specified period is considered to have waived the contested citation process and is subject to collections, including collection costs.

(b) The council must set the amount of the fine at no less than $35. The council may establish an escalating fine structure for persons who fail to pay administrative citations or who repeatedly commit a violation under section 609.855, subdivision 1, paragraph (a), clause (1).

(c) The council may adopt an alternative resolution procedure under which a person may resolve an administrative citation in lieu of paying a fine by complying with terms established by the council for community service, prepayment of future transit fares, or both. The alternative resolution procedure must be available only to a person who has committed a violation under section 609.855, subdivision 1, paragraph (a), clause (1), for the first time, unless the person demonstrates financial hardship under criteria established by the council.

(d) The council must provide a civil process that allows a person to contest an administrative citation before a neutral third party. The council may employ a person not associated with its transit operations, or enter into an agreement with another unit of government, to hear and rule on challenges to administrative citations.

Subd. 3. **Other requirements.** (a) An administrative citation must include notification that the person has the right to contest the citation, basic procedures for contesting the citation, and information on the timeline and consequences related to the citation.

(b) The council must not mandate or suggest a quota for the issuance of administrative citations under this section.

(c) The council must collect and maintain fines under this section in a separate account that is only used to cover costs under this section.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to violations committed on or after that date. This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Sherburne, and Washington.

Sec. 53. Minnesota Statutes 2020, section 609.855, subdivision 1, is amended to read:

Subdivision 1. **Unlawfully obtaining services; misdemeanor.** (a) A person is guilty of a misdemeanor who intentionally obtains or attempts to obtain service for himself, herself, or another person from a provider of public transit or from a public conveyance by doing any of the following:

(1) occupies or rides in any public transit vehicle without paying the applicable fare or otherwise obtaining the consent of the transit provider including:

(i) the use of a reduced fare when a person is not eligible for the fare; or

(ii) the use of a fare medium issued solely for the use of a particular individual by another individual;

(2) presents a falsified, counterfeit, photocopied, or other deceptively manipulated fare medium as fare payment or proof of fare payment;

(3) sells, provides, copies, reproduces, or creates any version of any fare medium without the consent of the transit provider; or

(4) puts or attempts to put any of the following into any fare box, pass reader, ticket vending machine, or other fare collection equipment of a transit provider:

(i) papers, articles, instruments, or items other than fare media or currency; or

(ii) a fare medium that is not valid for the place or time at, or the manner in, which it is used.

(b) Where self-service barrier-free fare collection is utilized by a public transit provider, it is a violation of this subdivision to intentionally fail to exhibit proof of fare payment upon the request of an authorized transit representative when entering, riding upon, or leaving a transit vehicle or when present in a designated paid fare zone located in a transit facility.

(c) Issuance of an administrative citation under section 473.4085 prevents imposition of a misdemeanor citation under this subdivision.

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

Sec. 54. Minnesota Statutes 2020, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, or any other person designated by the transit provider as an authorized transit ~~provider~~ representative under this section.

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

Sec. 55. **LEGISLATIVE ROUTE NO. 274 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 205, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Yellow Medicine County to transfer jurisdiction of a segment of Legislative Route No. 274 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 56. **LEGISLATIVE ROUTE NO. 301 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 232, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of St. Cloud to transfer jurisdiction of Legislative Route No. 301 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 57. **TRANSIT SIGNAL PRIORITY SYSTEM PLANNING.**

Subdivision 1. **Establishment.** By August 1, 2022, the Metropolitan Council must convene a working group to perform planning on transit signal priority systems and related transit advantage improvements on high-frequency and high-ridership bus routes in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

Subd. 2. **Membership.** The Metropolitan Council must solicit the following members to participate in the working group:

(1) one member representing Metro Transit, appointed by the Metropolitan Council;

(2) one member representing the Department of Transportation, appointed by the commissioner of transportation;

(3) one member representing Minneapolis, appointed by the Minneapolis City Council;

(4) one member representing St. Paul, appointed by the St. Paul City Council;

(5) one member representing Hennepin County, appointed by the Hennepin County Board;

(6) one member representing Ramsey County, appointed by the Ramsey County Board;

(7) one member from a city participating in the replacement service program under Minnesota Statutes, section 473.388, appointed by the Suburban Transit Association;

(8) one member from the Center for Transportation Studies at the University of Minnesota;

(9) one member from Move Minnesota; and

(10) other members as identified by the Metropolitan Council.

Subd. 3. **Duties.** At a minimum, the working group must:

(1) assess the current status and capability of transit signal priority systems among the relevant road authorities;

(2) identify key barriers and constraints and measures to address the barriers;

(3) explore methods for ongoing coordination among the relevant road authorities;

(4) estimate costs of potential improvements; and

(5) develop a proposal or recommendations to implement transit signal priority systems and related transit advantage improvements, including a prioritized listing of locations or routes.

Subd. 4. **Administration.** Upon request of the working group, the Metropolitan Council and the commissioner of transportation must provide administrative and technical support for the working group.

Subd. 5. **Report.** By December 15, 2022, the Metropolitan Council must submit a report on transit signal priority system improvements to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must summarize the results of the working group and provide information on each of the activities specified in subdivision 3.

Subd. 6. **Expiration.** The working group under this section expires December 31, 2022.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 58. **SPEED SAFETY CAMERA PILOT PROJECT IMPLEMENTATION PLAN.**

By December 15, 2022, the commissioners of public safety and transportation must jointly submit a speed safety camera pilot project implementation plan to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The plan must conform to the recommendations in the work zone speed management study required under Laws 2021, First Special Session chapter 5, article 4, section 140.

Sec. 59. **ROAD USAGE CHARGE TASK FORCE.**

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

(b) "Road usage charge" means a tax, fee, or other charge imposed on a motor vehicle on the basis of distance traveled or other measure of vehicle use of public highways.

(c) "Task force" means the Road Usage Charge Task Force established in this section.

Subd. 2. **Establishment.** The Road Usage Charge Task Force is established to develop recommendations on implementation of a road usage charge in Minnesota.

Subd. 3. **Membership.** (a) The task force consists of the following members:

(1) two members of the senate, with one appointed by the senate majority leader and one appointed by the senate minority leader;

(2) two members of the house of representatives, with one appointed by the speaker of the house and one appointed by the house minority leader;

(3) one member from the Department of Transportation appointed by the commissioner of transportation;

(4) one member from the Driver and Vehicle Services Division of the Department of Public Safety appointed by the commissioner of public safety;

(5) one member from the Public Utilities Commission appointed by the Minnesota Public Utilities Commission;

(6) one member representing public utilities, as defined in section 216B.02, subdivision 4, that provide electric service to retail customers in Minnesota appointed by the commissioner of transportation;

(7) one member appointed by the Alliance for Automotive Innovation;

(8) one member appointed by the Center for Transportation Studies of the University of Minnesota;

(9) one member appointed by the Minnesota Transportation Alliance;

(10) one member appointed by the Minnesota Chamber of Commerce;

(11) one member appointed by the Great Plains Institute;

(12) one member appointed by Fresh Energy; and

(13) one member appointed by the Minnesota Electric Vehicle Owners chapter of the Electric Vehicle Association.

(b) Appointing authorities must make initial appointments to the task force by August 1, 2022.

Subd. 4. **Duties.** The task force must:

(1) identify and analyze road usage charge options and considerations, including with respect to technical constraints, revenue impacts, equity across highway system users, data privacy, and impacts to motorists;

(2) review road usage charge implementation in other states;

(3) evaluate road usage charge implementation in Minnesota for all-electric vehicles or electric vehicles, as the terms are defined in Minnesota Statutes, section 169.011, subdivisions 1a and 26a; and

(4) develop recommendations for a pilot program or for phased or full road usage charge implementation, including proposed legislation.

Subd. 5. **Meetings; chair.** (a) By September 15, 2022, the chair of the Legislative Coordinating Commission must convene the first meeting of the task force.

(b) At the first meeting, the task force must elect a chair or cochairs by a majority vote of those members present.

(c) The meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Administration.** (a) The Legislative Coordinating Commission must provide administrative assistance to the task force.

(b) Upon request of the task force, the commissioners of transportation and public safety must provide general informational and technical support to the task force.

Subd. 7. **Compensation.** Members of the task force serve without compensation.

Subd. 8. **Report.** By January 15, 2023, the task force must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must summarize the activities of the task force and provide information on the duties specified in subdivision 4.

Subd. 9. **Expiration.** The task force expires on January 15, 2023.

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

Sec. 60. **REPORT; HIGHWAYS FOR HABITAT PROGRAM.**

By January 15, 2025, the commissioner of transportation must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and the environment and natural resources on the implementation of the highways for habitat program under Minnesota Statutes, section 160.2325. At a minimum, the report must include an overview of program implementation and information on expenditure of funds under the program.

Sec. 61. **REPEALER.**

Minnesota Rules, part 8835.0350, subpart 2, is repealed.

ARTICLE 4
INDEPENDENT EXPERT REVIEW PROVISIONS

Section 1. Minnesota Statutes 2020, section 168.002, is amended by adding a subdivision to read:

Subd. 12a. **Full-service provider.** "Full-service provider" means a person who is appointed by the commissioner as both a deputy registrar under this chapter and a driver's license agent under chapter 171 who provides all driver services, excluding International Registration Plan and International Fuel Tax Agreement transactions.

Sec. 2. Minnesota Statutes 2021 Supplement, section 168.327, subdivision 1, is amended to read:

Subdivision 1. **Records and fees.** (a) Upon request by any person authorized in this section, the commissioner ~~shall~~ or full-service provider must furnish a certified copy of any driver's license record, instruction permit record, Minnesota identification card record, vehicle registration record, vehicle title record, or accident record.

(b) Except as provided in subdivisions 4, 5a, and 5b, and other than accident records governed under section 169.09, subdivision 13, the requester ~~shall~~ must pay a fee of $10 for each certified record specified in paragraph (a) or a fee of $9 for each record that is not certified.

(c) Except as provided in subdivisions 4, 5a, and 5b, in addition to the record fee in paragraph (b), the fee for a copy of the history of any vehicle title not in electronic format is $1 for each page of the historical record.

(d) ~~Fees~~ Of the fee collected by the commissioner under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, ~~must be paid into the state treasury with~~ 50 cents ~~of each fee credited to~~ must be deposited in the general fund~~.~~, and the remainder ~~of the fees collected must be credited to~~ must be deposited in the driver services operating account in the special revenue fund under section 299A.705. Of the fee collected by a full-service provider under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, the provider must transmit 50 cents to the commissioner to be deposited in the general fund, and the provider must retain the remainder.

(e) ~~Fees~~ Of the fee collected by the commissioner under paragraphs (b) and (c) for vehicle registration or title records, ~~must be paid into the state treasury with~~ 50 cents ~~of each fee credited to~~ must be deposited in the general fund~~.~~, and the remainder ~~of the fees collected must be credited to~~ must be deposited in the vehicle services operating account in the special revenue fund specified in section 299A.705. Of the fee collected by a full-service provider under paragraphs (b) and (c) for vehicle registration or title records, the provider must transmit 50 cents of each fee to the commissioner to be deposited in the general fund, and the provider must retain the remainder.

(f) Except as provided in subdivisions 4, 5a, and 5b, the commissioner ~~shall~~ or full-service provider must permit a person to inquire into a record by the person's own electronic means for a fee of $4.50 for each inquiry, except that no fee may be charged when the requester is the subject of the data.

(g) Of the fee collected by the commissioner under paragraph (f):

(1) $2.70 must be deposited in the general fund;

(2) for driver's license, instruction permit, or Minnesota identification card records, the remainder must be deposited in the driver services operating account in the special revenue fund under section 299A.705; and

(3) for vehicle title or registration records, the remainder must be deposited in the vehicle services operating account in the special revenue fund under section 299A.705.

(h) Of the fee collected by a full-service provider under paragraph (f), the provider must transmit $2.70 to the commissioner to be deposited into the general fund, and the provider must retain the remainder.

~~(g)~~ (i) Fees and the deposit of the fees for accident records and reports are governed by section 169.09, subdivision 13.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

Sec. 3. Minnesota Statutes 2020, section 168.327, subdivision 2, is amended to read:

Subd. 2. **Requests for information; surcharge on fee.** (a) Except as otherwise provided in subdivision 3, the commissioner ~~shall~~ or full-service provider must impose a surcharge of 50 cents on each fee charged by the commissioner or full-service provider under section 13.03, subdivision 3, for copies or electronic transmittals of public information about the registration of a vehicle or an applicant, or holder of a driver's license, instruction permit, or Minnesota identification card.

(b) The surcharge only applies to a fee imposed in response to a request made in person ~~or,~~ by mail, or ~~to a request for transmittal through a computer modem~~ online. The surcharge does not apply to the request of an individual for information about that individual's driver's license, instruction permit, or Minnesota identification card or about vehicles registered or titled in the individual's name.

(c) The surcharges collected by the commissioner under this subdivision must be credited to the general fund. The surcharges collected by a full-service provider must be transmitted to the commissioner to be deposited in the general fund.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

Sec. 4. Minnesota Statutes 2020, section 168.327, subdivision 3, is amended to read:

Subd. 3. **Exception to fee and surcharge.** (a) Notwithstanding subdivision 2 or section 13.03, a fee or surcharge may not be imposed in response to a request for public information about the registration of a vehicle if the commissioner or full-service provider is satisfied that:

(1) the requester seeks the information on behalf of a community-based, nonprofit organization designated by a local law enforcement agency to be a requester; and

(2) the information is needed to identify suspected prostitution law violators, controlled substance law violators, or health code violators.

(b) The commissioner ~~shall~~ or full-service provider must not require a requester under paragraph (a) to make a minimum number of data requests or limit the requester to a maximum number of data requests.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

Sec. 5. Minnesota Statutes 2020, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a filing fee of:

(1) $7 is imposed on every vehicle registration renewal, excluding pro rate transactions; and

(2) $11 is imposed on every other type of vehicle transaction, including motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under this subdivision by the department for in-person transactions must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) $5.50 must be deposited in the vehicle services operating account; and

(ii) $1.50 must be deposited in the driver and vehicle services technology account; and

(2) of the fees collected under paragraph (a), clause (2):

(i) $3.50 must be deposited in the general fund;

(ii) $6.00 must be deposited in the vehicle services operating account; and

(iii) $1.50 must be deposited in the driver and vehicle services technology account.

(f) The fees collected under this subdivision by the department for mail or online transactions must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) $2.75 must be deposited in the vehicle services operating account;

(ii) $0.75 must be deposited in the driver and vehicle services technology account; and

(iii) $3.50 must be deposited in the full-service provider account; and

(2) of the fees collected under paragraph (a), clause (2):

(i) $3.50 must be deposited in the general fund;

(ii) $3.00 must be deposited in the vehicle services operating account;

(iii) $0.75 must be deposited in the driver and vehicle services technology account; and

(iv) $3.75 must be deposited in the full-service provider account.

Sec. 6. Minnesota Statutes 2020, section 168.345, is amended to read:

168.345 USE OF VEHICLE REGISTRATION INFORMATION.

Subdivision 1. **Information by telephone.** Information about vehicle registrations ~~shall~~ must not be furnished on the telephone to any person except the owner of the vehicle, personnel of law enforcement agencies, and the personnel of governmental motor vehicle and registration offices.

Subd. 2. **Lessees; information.** The commissioner may not furnish information about registered owners of passenger automobiles who are lessees under a lease for a term of 180 days or more to any person except the owner of the vehicle, the lessee, personnel of law enforcement agencies and trade associations performing a member service under section 604.15, subdivision 4a, and federal, state, and local governmental units, and, at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls. The commissioner may release information about lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

Sec. 7. Minnesota Statutes 2021 Supplement, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) upon written request, the commissioner of public safety, a full-service provider as defined in section 171.01, subdivision 33a, or any law enforcement agency ~~shall~~ must disclose the report required under subdivision 8 to:

(i) any individual involved in the accident, the representative of the individual's estate, or the surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02;

(ii) any other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident;

(iii) legal counsel of a person described in item (i) or (ii);

(iv) a representative of the insurer of any person described in item (i) or (ii); or

(v) a city or county attorney or an attorney representing the state in an implied consent action who is charged with the prosecution of a traffic or criminal offense that is the result of a traffic crash investigation conducted by law enforcement;

~~(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;~~

~~(3)~~ (2) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

~~(4)~~ (3) the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations;

~~(5)~~ (4) upon specific request, the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained regarding each traffic accident involving damage to identified state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

~~(6)~~ (5) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. ~~No report shall~~ A report must not be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However, the commissioner of public safety ~~shall~~ must furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety ~~shall~~ or full-service provider as defined in section 171.01, subdivision 33a, must charge authorized persons as described in paragraph (a) a $5 fee for a copy of an accident report. Ninety percent of the $5 fee collected by the commissioner under this paragraph must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. Of the $5 fee collected by a full-service provider, the provider must transmit 50 cents to the commissioner to be deposited into the general fund, and the provider must retain the remainder. The commissioner or full-service provider may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner, a full-service provider, and law enforcement agencies ~~shall~~ must charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. Of the fees collected by a full-service provider under this paragraph, the provider must transmit 50 cents to the commissioner to be deposited into the general fund, and the provider must retain the remainder.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner ~~shall~~ or full-service provider must provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner ~~shall~~ or full-service provider must include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

Sec. 8. Minnesota Statutes 2020, section 171.01, is amended by adding a subdivision to read:

Subd. 33a. **Full-service provider.** "Full-service provider" means a person who is appointed by the commissioner as both a driver's license agent who provides all driver services, excluding International Registration Plan and International Fuel Tax Agreement transactions under this chapter and deputy registrar services under chapter 168.

Sec. 9. Minnesota Statutes 2020, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

REAL ID Compliant or Noncompliant Classified Driver's License	D-$21.00	C-$25.00	B-$32.00	A-$40.00
REAL ID Compliant or Noncompliant Classified Under-21 D.L.	D-$21.00	C-$25.00	B-$32.00	A-$20.00
Enhanced Driver's License	D-$36.00	C-$40.00	B-$47.00	A-$55.00
REAL ID Compliant or Noncompliant Instruction Permit				$5.25
Enhanced Instruction Permit				$20.25
Commercial Learner's Permit				$2.50
REAL ID Compliant or Noncompliant Provisional License				$8.25
Enhanced Provisional License				$23.25
Duplicate REAL ID Compliant or Noncompliant License or duplicate REAL ID Compliant or Noncompliant identification card				$6.75
Enhanced Duplicate License or enhanced duplicate identification card				$21.75
REAL ID Compliant or Noncompliant Minnesota identification card or REAL ID Compliant or Noncompliant Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				$11.25
Enhanced Minnesota identification card				$26.25

From August 1, 2019, to June 30, 2022, the fee is increased by $0.75 for REAL ID compliant or noncompliant classified driver's licenses, REAL ID compliant or noncompliant classified under-21 driver's licenses, and enhanced driver's licenses.

(b) In addition to each fee required in paragraph (a), the commissioner ~~shall~~ must collect a surcharge of $2.25. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account under section 299A.705.

(c) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, ~~shall~~ must have a $3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(d) In addition to the driver's license fee required under paragraph (a), the commissioner ~~shall~~ must collect an additional $4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department ~~shall~~ must not charge these applicants any other fee to receive or renew the endorsement.

(e) In addition to the fee required under paragraph (a), a driver's license agent may charge and retain a filing fee as provided under section 171.061, subdivision 4.

(f) In addition to the fee required under paragraph (a), the commissioner ~~shall~~ must charge a filing fee at the same amount as a driver's license agent under section 171.061, subdivision 4. Revenue collected under this paragraph for in-person transactions must be deposited in the driver services operating account under section 299A.705. Revenue collected under this paragraph for mail or online transactions must be allocated as follows:

(1) 50 percent must be deposited in the driver services operating account under section 299A.705, subdivision 2; and

(2) 50 percent must be deposited in the full-service provider account under section 299A.705, subdivision 3a.

(g) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a $2 donation for the purposes of public information and education on anatomical gifts under section 171.075.

Sec. 10. Minnesota Statutes 2020, section 171.06, is amended by adding a subdivision to read:

Subd. 8. **Preapplication; REAL ID.** (a) The commissioner must establish a process for an applicant to submit an electronic preapplication for a REAL ID-compliant driver's license or REAL ID-compliant identification card. The commissioner must design the preapplication so that the applicant must enter information required for the application. The preapplication must also generate a list of documents the applicant is required to submit in person at the time of the application. The commissioner must provide a link to the preapplication website at the time an individual schedules an appointment to apply for a REAL ID-compliant driver's license or REAL ID-compliant identification card.

(b) An applicant who submitted a preapplication is required to appear in person before a driver's license agent to submit a completed application for the REAL ID-compliant driver's license or REAL ID-compliant identification card.

Sec. 11. Minnesota Statutes 2020, section 171.061, subdivision 4, is amended to read:

Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee ~~of $8~~ for each application~~.~~, as follows:

(1) New application for noncompliant driver's license or noncompliant Minnesota identification card	$11.00
(2) New application for REAL ID-compliant driver's license, REAL ID-compliant Minnesota identification card, enhanced driver's license, or enhanced Minnesota identification card	$16.00
(3) Renewal application for noncompliant driver's license or noncompliant Minnesota identification card	$11.00
(4) Renewal application for REAL ID-compliant driver's license, REAL ID-compliant Minnesota identification card, enhanced driver's license, or enhanced Minnesota identification card	$11.00

Except as provided in paragraph (c), the fee ~~shall~~ must cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The driver's license agent may collect a convenience fee on the statutory fees and filing fees not greater than the cost of processing a credit card or debit card transaction. The convenience fee must be used to pay the cost of processing credit card and debit card transactions. The commissioner ~~shall~~ must adopt rules to administer this paragraph using the exempt procedures of section 14.386, except that section 14.386, paragraph (b), does not apply.

(c) The department ~~shall~~ must maintain the photo identification equipment for all agents appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part 7404.0400, the department ~~shall~~ must provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 2000. All photo identification equipment must be compatible with standards established by the department.

(d) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county ~~shall~~ must retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

(e) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (d).

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to applications made on or after that date.

Sec. 12. Minnesota Statutes 2020, section 171.0705, is amended by adding a subdivision to read:

Subd. 11. **Manual and study material availability.** The commissioner must publish the driver's manual on the department's website. The commissioner must also publish study support materials for the written exam and skills exam, with a focus on the subjects and skills that are most commonly failed by exam takers. The commissioner must ensure that the driver's manual and study support materials are easily located and available for no cost.

Sec. 13. Minnesota Statutes 2020, section 171.12, subdivision 1a, is amended to read:

Subd. 1a. **Driver and vehicle services information system; security and auditing.** (a) The commissioner must establish written procedures to ensure that only individuals authorized by law may enter, update, or access not public data collected, created, or maintained by the driver and vehicle services information system. An authorized individual's ability to enter, update, or access data in the system must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail are public to the extent the data are not otherwise classified by law.

(b) The commissioner must not revoke the authorization of any individual who properly accessed data to complete an authorized transaction or to resolve an issue that does not result in a completed authorized transaction. The commissioner must immediately and permanently revoke the authorization of any individual who willfully entered, updated, accessed, shared, or disseminated data in violation of state or federal law. If an individual willfully gained access to data without authorization by law, the commissioner must forward the matter to the appropriate prosecuting authority for prosecution. The commissioner must establish a process that allows an individual whose access was revoked to appeal that decision.

(c) The commissioner must arrange for an independent biennial audit of the driver and vehicle services information system to determine whether data currently in the system are classified correctly, how the data are used, and to verify compliance with this subdivision. The results of the audit are public. No later than 30 days following completion of the audit, the commissioner must provide a report summarizing the audit results to the commissioner of administration; the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over transportation policy and finance, public safety, and data practices; and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

Sec. 14. Minnesota Statutes 2021 Supplement, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner ~~shall~~ must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to bicycles; and (vii) the circumstances and dangers of carbon monoxide poisoning;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

(c) The commissioner ~~shall~~ must make provision for giving the examinations under this subdivision either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

(d) The commissioner ~~shall~~ must ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.

(e) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance from the address provided. The information must be easily accessible and must not require a person to sign in or provide any other information, except an address, in order to see available exam dates.

Sec. 15. Minnesota Statutes 2020, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license issued by another state or jurisdiction that requires a comparable examination for obtaining a driver's license, the commissioner ~~may~~ must waive the ~~requirement~~ requirements that the applicant pass a written knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle ~~on determining that the applicant possesses a valid driver's license issued by a jurisdiction that requires a comparable demonstration for license issuance~~.

(b) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license with a two-wheeled vehicle endorsement issued by another state or jurisdiction that requires a comparable examination for obtaining the endorsement, the commissioner must waive the requirements that the applicant for a two-wheeled vehicle endorsement pass a written knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to applications made on or after that date.

Sec. 16. Minnesota Statutes 2020, section 299A.705, is amended by adding a subdivision to read:

Subd. 3a. **Full-service provider account.** (a) The full-service provider account is created in the special revenue fund, consisting of fees described in sections 168.33, subdivision 7, and 171.06, subdivision 2, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of public safety to distribute to full-service providers, as defined in section 168.002, subdivision 12a. At least quarterly, the commissioner must distribute the money in the account to each full-service provider that was in operation during that quarter based proportionally on the number of transactions completed by each full-service provider.

Sec. 17. **REPORT; TRANSITION TO DIGITAL TITLES AND DRIVERS' LICENSES.**

By December 15, 2022, the commissioner of public safety must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance on transitioning from physical driver and vehicle documents to digital versions of the same documents. At a minimum, the report must:

(1) include information on how other states have implemented the transition to digital documents;

(2) make recommendations on how to ensure the security, integrity, and privacy of data;

(3) include an estimate of the costs for transitioning to digital documents;

(4) include an estimated timeline for transitioning to digital documents; and

(5) identify statutory changes necessary to implement the transition to digital documents.

Sec. 18. **EFFECTIVE DATE.**

Except where otherwise specified, this article is effective August 1, 2022.

ARTICLE 5
SALVAGE AND PRIOR SALVAGE TITLE BRANDS

Section 1. Minnesota Statutes 2020, section 168A.01, is amended by adding a subdivision to read:

Subd. 16b. **Recovered intact vehicle.** "Recovered intact vehicle" means a vehicle that was:

(1) verified by the vehicle insurer to be stolen and declared a total loss; and

(2) subsequently recovered with damage that is not in excess of 80 percent of its value immediately before it was stolen.

Sec. 2. Minnesota Statutes 2020, section 168A.01, subdivision 17b, is amended to read:

Subd. 17b. **Salvage vehicle.** (a) "Salvage vehicle" means a vehicle ~~that has a salvage certificate of title~~ (1) for which an insurance company has declared a total loss or paid a total loss claim, or (2) that has been involved in a collision or other event in which the cost of repairs exceeds 80 percent of the value of the vehicle immediately before the damage occurred.

(b) Salvage vehicle does not include a recovered intact vehicle.

Sec. 3. Minnesota Statutes 2020, section 168A.04, subdivision 1, is amended to read:

Subdivision 1. **Contents.** The application for the first certificate of title of a vehicle or manufactured home in this state, or for reissuance of a certificate of title for a manufactured home under section 168A.142, ~~shall~~ must be made by the owner to the department on the form prescribed by the department and ~~shall~~ must contain:

(1) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(2) a description of the vehicle or manufactured home including, so far as the following data exists, its make, model, year, identifying number in the case of a vehicle or serial number in the case of a manufactured home, type of body, and whether new or used;

(3) the date of purchase by applicant, the name and address of the person from whom the vehicle or manufactured home was acquired, the names and addresses of any secured parties in the order of their priority, and the dates of their respective security agreements;

(4) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(5) ~~with respect to vehicles subject to section 325F.6641,~~ whether the vehicle sustained damage by collision or other occurrence ~~which exceeded 70 percent of the actual cash value~~ that meets the disclosure requirements under section 325F.6641, subdivision 1; and

(6) any further information the department reasonably requires to identify the vehicle or manufactured home and to enable it to determine whether the owner is entitled to a certificate of title, and the existence or nonexistence and priority of any security interest in the vehicle or manufactured home.

Sec. 4. Minnesota Statutes 2020, section 168A.04, subdivision 4, is amended to read:

Subd. 4. **Vehicle last registered out of state.** If the application refers to a vehicle last previously registered in another state or country, the application ~~shall~~ must contain or be accompanied by:

(1) any certificate of title issued by the other state or country;

(2) any other information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of any security interest in it;

(3) the certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires; and

(4) ~~with respect to vehicles subject to section 325F.6641,~~ whether the vehicle sustained damage by collision or other occurrence ~~which exceeded 70 percent of actual cash value~~ that meets the disclosure requirements under section 325F.6641, subdivision 1. Damage, for the purpose of ~~this~~ the calculation under this clause, does not include the actual cost incurred to repair, replace, or reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.

Sec. 5. Minnesota Statutes 2020, section 168A.05, subdivision 3, is amended to read:

Subd. 3. **Content of certificate.** (a) Each certificate of title issued by the department ~~shall~~ must contain:

(1) the date issued;

(2) the first, middle, and last names and the dates of birth of all owners who are natural persons, and the full names of all other owners;

(3) the residence address of the owner listed first if that owner is a natural person or the address if that owner is not a natural person;

(4) the names of any secured parties, and the address of the first secured party, listed in the order of priority (i) as shown on the application, or (ii) if the application is based on a certificate of title, as shown on the certificate, or (iii) as otherwise determined by the department;

(5) any liens filed pursuant to a court order or by a public agency responsible for child support enforcement against the owner;

(6) the title number assigned to the vehicle;

(7) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

(8) with respect to a motor vehicle subject to section 325E.15, (i) the true cumulative mileage registered on the odometer or (ii) that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(9) if applicable, one or more of the following:

(i) with respect to a vehicle subject to sections ~~325F.6641~~ 168A.151 and 325F.6642, the appropriate ~~term~~ brand "flood damaged," ~~"rebuilt,"~~ "salvage," "prior salvage," or "reconstructed";

~~(10)~~ (ii) with respect to a vehicle contaminated by methamphetamine production, if the registrar has received the certificate of title and notice described in section 152.0275, subdivision 2, paragraph (g), the ~~term~~ brand "hazardous waste contaminated vehicle"; and

~~(11)~~ (iii) with respect to a vehicle subject to section 325F.665, the ~~term~~ brand "lemon law vehicle"; and

~~(12)~~ (10) any other data the department prescribes.

(b) For a certificate of title on a vehicle that is a restored pioneer vehicle:

(1) the identifying number must be the valid identifying number as provided under section 168A.04, subdivision 5;

(2) the year of the vehicle must be the year of original vehicle manufacture and not the year of restoration; and

(3) the title must not bear a "reconstructed vehicle" brand.

Sec. 6. Minnesota Statutes 2020, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage ~~titles~~ and prior salvage brands.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle, excluding a recovered intact vehicle, through payment of damages, the insurer ~~shall~~ must:

(1) for a late-model or high-value vehicle, immediately apply for a ~~salvage~~ certificate of title that bears a "salvage" brand or ~~shall~~ stamp the existing certificate of title with ~~the legend~~ "~~SALVAGE~~ salvage ~~CERTIFICATE OF TITLE~~" in a manner prescribed by the department; or

(2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of title that bears a "prior salvage" brand or stamp the existing certificate of title with "prior salvage" in a manner prescribed by the department.

(b) Within ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

~~(b)~~ (c) Except as provided in section 168A.11, subdivision 1, a person ~~shall~~ must immediately apply for a ~~salvage~~ certificate of title that bears a "salvage" brand if the person acquires a damaged late-model or high-value vehicle ~~with an out-of-state title and the vehicle~~ that:

(1) ~~is a vehicle that~~ was acquired by an insurer through payment of damages;

(2) ~~is a vehicle for which the~~ will incur a cost of repairs that exceeds the value of the damaged vehicle; ~~or~~

(3) has an out-of-state salvage certificate of title as proof of ownership~~.~~; or

(4) bears the brand "damaged," "repairable," "salvage," or any similar term on the certificate of title.

(d) Except as provided in section 168A.11, subdivision 1, a person must immediately apply for a certificate of title that bears a "prior salvage" brand if the person acquires a damaged vehicle and:

(1) a "salvage" brand is not required under paragraph (c); and

(2) the vehicle:

(i) bears the brand "damaged," "repairable," "salvage," "rebuilt," "reconditioned," or any similar term on the certificate of title; or

(ii) had a salvage certificate of title or brand issued at any time in the vehicle's history by any other jurisdiction.

~~(c)~~ (e) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value ~~shall~~ must:

(1) for a late-model or high-value vehicle, immediately apply for a ~~salvage~~ certificate of title~~.~~ that bears a "salvage" brand; or

(2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of title that bears a "prior salvage" brand.

Sec. 7. Minnesota Statutes 2020, section 168A.152, subdivision 1, is amended to read:

Subdivision 1. **Certificate of inspection.** (a) A ~~salvage~~ certificate of title that bears a "salvage" brand or stamp authorizes the holder to possess, transport, and transfer ownership in a vehicle. A ~~salvage~~ certificate of title that bears a "salvage" brand or stamp does not authorize the holder to register a vehicle. ~~A certificate of title must not be issued for a vehicle for which a salvage certificate of title has been issued unless~~

(b) For a late-model or high-value vehicle with a certificate of title that bears a "salvage" brand or stamp, the commissioner must not issue a certificate of title that bears a "prior salvage" brand unless the application for title is accompanied by a certification of inspection in the form and content specified by the department ~~accompanies the application for a certificate of title~~.

Sec. 8. Minnesota Statutes 2020, section 168A.152, subdivision 1a, is amended to read:

Subd. 1a. **Duties of salvage vehicle purchaser.** No salvage vehicle purchaser shall possess or retain a salvage vehicle which does not have a ~~salvage~~ certificate of title that bears a "salvage" or "prior salvage" brand. The salvage vehicle purchaser ~~shall~~ must display the ~~salvage~~ certificate of title upon the request of any appropriate public authority.

Sec. 9. Minnesota Statutes 2020, section 325F.662, subdivision 3, is amended to read:

Subd. 3. **Exclusions.** Notwithstanding the provisions of subdivision 2, a dealer is not required to provide an express warranty for a used motor vehicle:

(1) sold for a total cash sale price of less than $3,000, including the trade-in value of any vehicle traded in by the consumer, but excluding tax, license fees, registration fees, and finance charges;

(2) with an engine designed to use diesel fuel;

(3) with a gross weight, as defined in section 168.002, subdivision 13, in excess of 9,000 pounds;

(4) that has been custom-built or modified for show or for racing;

(5) that is eight years of age or older, as calculated from the first day in January of the designated model year of the vehicle;

(6) that has been produced by a manufacturer which has never manufactured more than 10,000 motor vehicles in any one year;

(7) that has 75,000 miles or more at time of sale;

(8) that has not been manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto; or

(9) that has been issued a ~~salvage~~ certificate of title that bears a "salvage" brand or stamp under section 168A.151.

Sec. 10. Minnesota Statutes 2020, section 325F.6641, is amended to read:

325F.6641 DISCLOSURE OF VEHICLE DAMAGE.

Subdivision 1. **Prior damage disclosure.** (a) If a ~~late model~~ vehicle~~, as defined in section 168A.01, subdivision 8a,~~ has sustained damage by collision or other occurrence which exceeds 80 percent of its actual cash value immediately prior to sustaining damage, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage. The amount of damage is determined by the retail cost of repairing the vehicle based on a complete written retail repair estimate or invoice.

(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar ~~shall revise~~ must design the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. ~~If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.~~

~~(c) Upon transfer and application for title to a vehicle covered by this subdivision, the registrar shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.~~

Subd. 2. ~~**Form of**~~ **Disclosure requirements.** (a) If a motor vehicle dealer licensed under section 168.27 offers a vehicle for sale in the course of a sales presentation to any prospective buyer the dealer must provide a written disclosure and, except for sales performed online, an oral disclosure of:

(1) prior vehicle damage as required under subdivision 1;

(2) the existence or requirement of any title brand under sections 168A.05, subdivision 3, 168A.151, 325F.6642, or 325F.665, subdivision 14, if the dealer has actual knowledge of the brand; and

(3) if a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the bottom dashboard while parked on the dealer's lot.

(b) If a person receives a flood disclosure as described in paragraph (a), clause (3), whether from a motor vehicle dealer or another seller, and subsequently offers that vehicle for sale, the person must provide the same disclosure to any prospective subsequent buyer.

(c) Written disclosure under this subdivision must be signed by the buyer and maintained in the motor vehicle dealer's sales file in the manner prescribed by the registrar of motor vehicles.

(d) The disclosure required in ~~this section~~ subdivision 1 must be made in substantially the following form: "To the best of my knowledge, this vehicle has ..... has not ..... sustained damage in excess of 80 percent actual cash value."

Sec. 11. Minnesota Statutes 2020, section 325F.6642, is amended to read:

325F.6642 TITLE BRANDING.

Subdivision 1. **Flood damage.** If the application for title and registration indicates that the vehicle has been classified as a total loss ~~vehicle~~ because of water or flood damage, or that the vehicle bears a "flood damaged" or similar brand, the registrar of motor vehicles ~~shall~~ must record the ~~term~~ brand "flood damaged" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Subd. 2. ~~**Total loss**~~ **Salvage vehicles.** (a) Upon transfer and application for title to all ~~total loss~~ vehicles for which the "salvage" brand is required under section 168A.151, subdivision 1, the registrar of motor vehicles ~~shall~~ must (1) record the ~~term~~ brand "~~prior~~ salvage" on the first ~~Minnesota~~ certificate of title, and (2) subject to section 168A.152, record the brand "prior salvage" on all subsequent ~~Minnesota~~ certificates of title ~~used~~ issued for that vehicle.

(b) Notwithstanding paragraph (a), a "prior salvage" brand is not required for a recovered intact vehicle, as defined in section 168A.01, subdivision 16b.

~~Subd. 3. **Out-of-state vehicles.** (a) Upon transfer and application for title of all repaired vehicles with out-of-state titles that bear the term "damaged," "salvage," "rebuilt," "reconditioned," or any similar term, the registrar of motor vehicles shall record the term "prior salvage" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.~~

~~(b) The registrar shall mark "prior salvage" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle which came into the state unrepaired and for which a salvage certificate of title was issued.~~

~~(c) For vehicles with out-of-state titles which bear the term "flood damaged," the registrar of motor vehicles shall record the term "flood damaged" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.~~

~~(d) the registrar shall mark "prior salvage" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle that had a salvage certificate of title issued at any time in the vehicle's history by any other jurisdiction.~~

Subd. 2a. **Prior salvage.** Upon application for title to all vehicles for which the "prior salvage" brand is required under section 168A.151, subdivision 1, the registrar of motor vehicles must record the brand "prior salvage" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Subd. 2b. **Certain damaged vehicles.** Upon transfer and application for title to a vehicle that is subject to section 325F.6641, subdivision 1, the registrar of motor vehicles must (1) record the brand "salvage" on the first certificate of title, and (2) subject to section 168A.152, record the brand "prior salvage" on all subsequent certificates of title issued for that vehicle.

Subd. 4. **Reconstructed vehicles.** For vehicles that are reconstructed within the meaning of section 168A.15, the registrar ~~shall~~ must record the ~~term~~ brand "reconstructed" on the certificate of title and all subsequent certificates of title.

Subd. 5. **Manner of branding.** ~~The~~ Each brand designation ~~of "flood damaged," "rebuilt," "prior salvage," or "reconstructed"~~ under this section or section 168A.05, subdivision 3, 168A.151, or 325F.665, subdivision 14, required on a certificate of title ~~shall~~ must be made by the registrar of motor vehicles in a clear and conspicuous manner, in a ~~color~~ format different from all other writing on the certificate of title.

~~Subd. 6. **Total loss vehicle; definition.** For the purposes of this section, "total loss vehicle" means a vehicle damaged by collision or other occurrence, for which a salvage certificate of title has been issued. Total loss vehicle does not include a stolen and recovered vehicle verified by the insurer who declared the vehicle to be a total loss vehicle unless there is more than minimal damage to the vehicle as determined by the registrar.~~

~~Subd. 7. **Dealer disclosure.** If a licensed motor vehicle dealer offers for sale a vehicle with a branded title, the dealer shall orally disclose the existence of the brand in the course of the sales presentation.~~

~~Subd. 8. **Flood damage; dealer lots.** If a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the bottom of the dashboard while parked on the dealer's lot, the dealer must disclose that fact in writing to any buyer and must orally disclose that fact in the course of a sales presentation to any prospective buyer. The buyer must also disclose the existence of the flood damage in writing to any subsequent buyer.~~

Sec. 12. Minnesota Statutes 2020, section 325F.665, subdivision 14, is amended to read:

Subd. 14. **Title branding.** (a) Upon transfer and application for title of all vehicles subject to this section, the registrar of motor vehicles shall record the term "lemon law vehicle" on the certificate of title and all subsequent certificates of title for that vehicle.

(b) For vehicles with out-of-state titles that bear the term "lemon law vehicle," or any similar term, the registrar of motor vehicles shall record the term "lemon law vehicle" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.

~~(c) The designation of "lemon law vehicle" on a certificate of title must be made by the registrar of motor vehicles in a clear and conspicuous manner, in a color different from all other writing on the certificate of title.~~

Sec. 13. **REPEALER.**

Minnesota Statutes 2020, sections 168A.01, subdivision 17a; and 325F.6644, are repealed.

Sec. 14. **EFFECTIVE DATE.**

Unless specified otherwise, this article is effective January 1, 2023."

Delete the title and insert:

"A bill for an act relating to transportation; providing supplemental appropriations for various transportation-related purposes to the Department of Transportation, Metropolitan Council, and Department of Public Safety; providing for allocation of federal transportation-related funds; providing various policy changes to transportation-related provisions; establishing the Traffic Safety Advisory Council; establishing a working group and a task force; establishing administrative citations and a fine; requiring reports; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2020, sections 4.075, by adding subdivisions; 160.08, subdivision 7; 160.266, by adding a subdivision; 161.088, subdivisions 1, 2, 4, 5, as amended, by adding a subdivision; 161.115, by adding a subdivision; 161.14, by adding subdivisions; 162.07, subdivision 2; 162.13, subdivisions 2, 3; 168.002, by adding a subdivision; 168.1235, subdivision 1; 168.1253, subdivision 3; 168.27, subdivision 11; 168.327, subdivisions 2, 3; 168.33, subdivision 7; 168.345; 168A.01, subdivision 17b, by adding a subdivision; 168A.04, subdivisions 1, 4; 168A.05, subdivision 3; 168A.11, subdivision 3; 168A.151, subdivision 1; 168A.152, subdivisions 1, 1a; 168B.07, subdivision 3, by adding subdivisions; 169.14, by adding a subdivision; 169.18, subdivision 3; 169.8261; 171.01, by adding a subdivision; 171.06, subdivision 2, by adding a subdivision; 171.061, subdivision 4; 171.0705, by adding a subdivision; 171.12, subdivision 1a; 171.13, subdivision 1a; 174.52, subdivision 3; 216D.03, by adding a subdivision; 219.1651; 221.025; 299A.41, subdivision 3; 299A.705, by adding a subdivision; 299D.03, subdivision 5; 299F.60, subdivision 1; 299J.16, subdivision 1; 325F.662, subdivision 3; 325F.6641; 325F.6642; 325F.665, subdivision 14; 473.375, by adding a subdivision; 609.855, subdivisions 1, 7; Minnesota Statutes 2021 Supplement, sections 168.327, subdivision 1; 169.09, subdivision 13; 169.222, subdivision 4; 169A.60, subdivision 13; 171.0605, subdivision 5; 171.13, subdivision 1; 171.306, subdivision 4; 360.55, subdivision 9; 360.59, subdivision 10; Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 3; article 2, section 2, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 160; 161; 169; 174; 473; repealing Minnesota Statutes 2020, sections 168A.01, subdivision 17a; 325F.6644; Minnesota Rules, part 8835.0350, subpart 2."

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

The report was adopted.

Marquart from the Committee on Taxes to which was referred:

H. F. No. 3669, A bill for an act relating to taxation; modifying individual income and corporate franchise taxes, sales taxes, property taxes, local government aids, and other miscellaneous taxes and tax provisions; proposing certain federal conformity for individual income and corporate franchise taxes; modifying and expanding certain income tax credits; proposing new sales tax construction exemptions for certain entities; modifying eligibility for certain property tax programs; proposing public safety aid and soil and water conservation district aid for local governments; proposing onetime direct payments to taxpayers; appropriating money; amending Minnesota Statutes

2020, sections 273.124, subdivisions 6, 13a, 13c, 13d; 273.1245, subdivision 1; 273.1315, subdivision 2; 289A.02, subdivision 7; 290.0123, subdivision 3; 290.0131, by adding subdivisions; 290.0132, subdivision 18, by adding subdivisions; 290.0133, by adding subdivisions; 290.0134, by adding subdivisions; 290.067, subdivisions 1, 2b, by adding a subdivision; 290.0671, subdivision 1a; 290.0674, subdivisions 2, 2a, by adding a subdivision; 290.0675, subdivision 1; 290.091, subdivision 2; 290.095, subdivision 11; 290A.03, subdivision 15; 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.005, subdivision 1; 297A.71, by adding a subdivision; Minnesota Statutes 2021 Supplement, sections 116J.8737, subdivisions 5, 12; 273.124, subdivisions 13, 14; 273.13, subdivision 23; 289A.08, subdivision 7; 290.01, subdivisions 19, 31; 290.06, subdivision 2c; 290.0671, subdivision 1; 290.993; 297A.75, subdivisions 1, 2, 3; Laws 2021, First Special Session chapter 1, article 2, section 6; proposing coding for new law in Minnesota Statutes, chapter 477A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
FEDERAL CONFORMITY

Section 1. Minnesota Statutes 2020, section 289A.02, subdivision 7, is amended to read:

Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~ November 15, 2021.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 2. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7, is amended to read:

Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to file a composite return and to pay the tax on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, Social Security numbers, income allocation, and tax liability for the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.

(d) The electing partner must not have any Minnesota source income other than the income from the partnership, other electing partnerships, and other qualifying entities electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.25. The individual's liability to pay estimated tax is, however, satisfied when the partnership pays composite estimated tax in the manner prescribed in section 289A.25.

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under this subdivision, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is only available to a partner who has no other Minnesota source income and who is either (1) a full-year nonresident individual or (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the Internal Revenue Code.

(h) A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this paragraph. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to the shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual beneficiaries of the estates or trusts may make an election under this paragraph. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to the beneficiary.

(j) For the purposes of this subdivision, "income" means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10, 16, ~~and~~ 17, and 19, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, ~~subdivision~~ subdivisions 14 and 31. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 3. Minnesota Statutes 2021 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a corporation taxable under section 290.02, the term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in sections 290.0131 to 290.0136.

(b) For an individual, the term "net income" means federal adjusted gross income with the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

(c) In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

(d) The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

(e) The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

(f) The Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~ November 15, 2021, applies for taxable years beginning after December 31, 1996~~, except the sections of federal law in section 290.0111 shall also apply~~.

(g) Except as otherwise provided, references to the Internal Revenue Code in this subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of determining net income for the applicable year.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 4. Minnesota Statutes 2021 Supplement, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December 31, 2018, except the sections of federal law in section 290.0111 shall also apply~~ November 15, 2021. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 5. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision to read:

Subd. 19. **Meal expenses.** The amount of meal expenses in excess of the 50 percent limitation under section 274(n)(1) of the Internal Revenue Code allowed under subsection (n), paragraph (2), subparagraph (D), of that section is an addition.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 6. Minnesota Statutes 2020, section 290.0132, subdivision 18, is amended to read:

Subd. 18. **Net operating losses.** (a) The amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c), is a subtraction.

(b) The unused portion of a net operating loss carryover under section 290.095, subdivision 11, paragraph (d), is a subtraction. The subtraction is the lesser of:

(1) the amount carried into the taxable year minus any subtraction made under this section for prior taxable years; or

(2) 80 percent of Minnesota taxable net income in a single taxable year and determined without regard to this subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 7. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision to read:

Subd. 31. **Delayed business interest.** (a) For each of the five taxable years beginning after December 31, 2021, there is allowed a subtraction equal to one-fifth of the adjustment amount, to the extent not already deducted, for the exclusion under section 16, subdivision 2, clause (10), due to the Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section 2306.

(b) This subdivision expires for taxable years beginning after December 31, 2026.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 8. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision to read:

Subd. 15. **Meal expenses.** The amount of meal expenses in excess of the 50 percent limitation under section 274(n)(1) of the Internal Revenue Code allowed under section 274(n)(2)(D) of the Internal Revenue Code is an addition.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 9. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision to read:

Subd. 20. **Delayed business interest.** (a) For each of the five taxable years beginning after December 31, 2021, there is allowed a subtraction equal to one-fifth of the adjustment amount, to the extent not already deducted, for the exclusion under section 16, subdivision 2, clause (10), due to the Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section 2306.

(b) This subdivision expires for taxable years beginning after December 31, 2026.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 10. Minnesota Statutes 2021 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

(1) On the first $38,770, 5.35 percent;

(2) On all over $38,770, but not over $154,020, 6.8 percent;

(3) On all over $154,020, but not over $269,010, 7.85 percent;

(4) On all over $269,010, 9.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts after the adjustment required in subdivision 2d.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

(1) On the first $26,520, 5.35 percent;

(2) On all over $26,520, but not over $87,110, 6.8 percent;

(3) On all over $87,110, but not over $161,720, 7.85 percent;

(4) On all over $161,720, 9.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

(1) On the first $32,650, 5.35 percent;

(2) On all over $32,650, but not over $131,190, 6.8 percent;

(3) On all over $131,190, but not over $214,980, 7.85 percent;

(4) On all over $214,980, 9.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than $100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to $1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~ 17, and 19, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132, subdivisions 9, 10, 14, 15, 17, 18, ~~and~~ 27, and 31, and 290.0137, paragraph (c), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code, increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~ 17, and 19, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, ~~and~~ 27, and 31, and 290.0137, paragraph (c).

(f) If an individual who is not a Minnesota resident for the entire year is a qualifying owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as provided in paragraph (e), and also must include, to the extent attributed to the electing qualifying entity:

(1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the addition under section 290.0131, subdivision 5; and

(2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the subtraction under section 290.0132, subdivision 3.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 11. Minnesota Statutes 2020, section 290.091, subdivision 2, is amended to read:

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

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a person with a disability;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.0131, subdivision 2;

(6) the amount of addition required by section 290.0131, subdivisions 9, 10, ~~and~~ 16, and 19;

(7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent not included in the addition required under clause (6); and

(8) to the extent not included in federal alternative minimum taxable income, the amount of foreign-derived intangible income deducted under section 250 of the Internal Revenue Code;

less the sum of the amounts determined under the following:

(i) interest income as defined in section 290.0132, subdivision 2;

(ii) an overpayment of state income tax as provided by section 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, and 26 to ~~29~~ 33;

(v) the amount of the net operating loss allowed under section 290.095, subdivision 11, ~~paragraph~~ paragraphs (c) and (d); and

(vi) the amount allowable as a Minnesota itemized deduction under section 290.0122, subdivision 7.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code, except alternative minimum taxable income must be increased by the addition in section 290.0131, subdivision 16.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 12. Minnesota Statutes 2020, section 290.095, subdivision 11, is amended to read:

Subd. 11. **Carryback or carryover adjustments.** (a) Except as provided in paragraph (c), for individuals, estates, and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income, provided that, notwithstanding any other provision, estates and trusts must apply the following adjustments to the amount of the net operating loss that may be carried back or carried over:

(1) Nonassignable income or losses as required by section 290.17.

(2) Deductions not allocable to Minnesota under section 290.17.

(b) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal taxable income provided that trusts and estates must apply the following modifications:

(1) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(2) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year. For estates and trusts, the net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (b) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed to estates and trusts if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. However, if a net operating loss carryback or carryover was allowed to offset federal income in a year earlier than was possible on the Minnesota return, an estate or trust shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(c) This paragraph does not apply to eligible small businesses that make a valid election to carry back their losses for federal purposes under section 172(b)(1)(H) of the Internal Revenue Code as amended through March 31, 2009.

(1) A net operating loss of an individual, estate, or trust that is allowed under this subdivision and for which the taxpayer elects to carry back for more than two years under section 172(b)(1)(H) of the Internal Revenue Code is a net operating loss carryback to each of the two taxable years preceding the loss, and unused portions may be carried forward for 20 taxable years after the loss.

(2) The entire amount of the net operating loss for any taxable year must be carried to the earliest of the taxable years to which the loss may be carried. The portion of the loss which may be carried to each of the other taxable years is the excess, if any, of the amount of the loss over the greater of the taxable net income or alternative minimum taxable income for each of the taxable years to which the loss may be carried.

(d) For net operating loss carryovers or carrybacks arising in taxable years beginning after December 31, 2017, and before December 31, 2020, a net operating loss carryover or carryback is allowed as provided in the Internal Revenue Code as amended through December 31, 2018, as follows:

(1) the entire amount of the net operating loss, to the extent not already deducted, must be carried to the earliest taxable year and any unused portion may be carried forward for 20 taxable years after the loss; and

(2) the portion of the loss which may be carried to each of the other taxable years is the excess, if any, of the amount of the loss over the greater of the taxable net income or alternative minimum taxable income for each of the taxable years to which the loss may be carried.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2017, and before December 31, 2020.

Sec. 13. Minnesota Statutes 2021 Supplement, section 290.993, is amended to read:

290.993 SPECIAL LIMITED ADJUSTMENT.

Subdivision 1. **Tax year 2018.** (a) For an individual, estate, or trust, or a partnership that elects to file a composite return under section 289A.08, subdivision 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the following special rules apply:

(1) an individual income taxpayer may: (i) take the standard deduction; or (ii) make an election under section 63(e) of the Internal Revenue Code to itemize, for Minnesota individual income tax purposes, regardless of the choice made on their federal return; and

(2) there is an adjustment to tax equal to the difference between the tax calculated under this chapter using the Internal Revenue Code as amended through December 16, 2016, and the tax calculated under this chapter using the Internal Revenue Code amended through December 31, 2018, before the application of credits. The end result must be zero additional tax due or refund.

(b) The adjustment in ~~paragraph (a), clause (2),~~ this subdivision does not apply to any changes due to sections 11012, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301, 13302, 13303, 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and 14501 of Public Law 115-97; and section 40411 of Public Law 115-123.

Subd. 2. **Tax years prior to 2022.** (a) For all taxpayers, including an entity that elects to file a composite return under section 289A.08, subdivision 7, and an entity that elects to pay the pass-through entity tax under section 289A.08, subdivision 7a, for taxable years beginning after December 31, 2016, and before January 1, 2022, the provisions in this subdivision apply.

(b) There is an adjustment to tax equal to the difference between the amount calculated and reported under this chapter incorporating the Internal Revenue Code as amended through Laws 2021, First Special Session chapter 14, and the amount calculated under this chapter incorporating the Internal Revenue Code as amended through November 15, 2021. For taxable years beginning before January 1, 2022, the end result of incorporating the Internal Revenue Code as amended through November 15, 2021, must be zero additional tax due or refund, except as provided in paragraph (c).

(c) The adjustment does not apply to changes due to:

(1) the Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section 114, exclusion of gross income of discharge of qualified principal residence indebtedness;

(2) the Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section 304(b), special rules for disaster-related personal casualty losses;

(3) the COVID-related Tax Relief Act of 2020, Public Law 116-260, section 278, paragraphs (a) and (d), clarification of tax treatment of certain loan forgiveness and other business financial assistance;

(4) the American Rescue Plan Act, Public Law 117-2, section 9672, tax treatment of targeted EIDL advances;

(5) the American Rescue Plan Act, Public Law 117-2, section 9673, tax treatment of restaurant revitalization grants; and

(6) the American Rescue Plan Act, Public Law 117-2, section 9675, modification of treatment of student loan forgiveness.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning before January 1, 2022.

Sec. 14. Minnesota Statutes 2020, section 290A.03, subdivision 15, is amended to read:

Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~ November 15, 2021.

EFFECTIVE DATE. This section is effective for property tax refunds based on property taxes payable in 2023 and rent paid in 2022 and thereafter.

Sec. 15. Minnesota Statutes 2020, section 291.005, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(2) "Federal gross estate" means the gross estate of a decedent as required to be valued and otherwise determined for federal estate tax purposes under the Internal Revenue Code, increased by the value of any property in which the decedent had a qualifying income interest for life and for which an election was made under section 291.03, subdivision 1d, for Minnesota estate tax purposes, but was not made for federal estate tax purposes.

(3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~ November 15, 2021.

(4) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included in the estate which has its situs outside Minnesota, and (b) including any property omitted from the federal gross estate which is includable in the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(5) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(6) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(7) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply to determinations of domicile under this chapter.

(8) "Situs of property" means, with respect to:

(i) real property, the state or country in which it is located;

(ii) tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death or for a gift of tangible personal property within three years of death, the state or country in which it was normally kept or located when the gift was executed;

(iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue Code, owned by a nonresident decedent and that is normally kept or located in this state because it is on loan to an organization, qualifying as exempt from taxation under section 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

(iv) intangible personal property, the state or country in which the decedent was domiciled at death or for a gift of intangible personal property within three years of death, the state or country in which the decedent was domiciled when the gift was executed.

For a nonresident decedent with an ownership interest in a pass-through entity with assets that include real or tangible personal property, situs of the real or tangible personal property, including qualified works of art, is determined as if the pass-through entity does not exist and the real or tangible personal property is personally owned by the decedent. If the pass-through entity is owned by a person or persons in addition to the decedent, ownership of the property is attributed to the decedent in proportion to the decedent's capital ownership share of the pass-through entity.

(9) "Pass-through entity" includes the following:

(i) an entity electing S corporation status under section 1362 of the Internal Revenue Code;

(ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

(iii) a single-member limited liability company or similar entity, regardless of whether it is taxed as an association or is disregarded for federal income tax purposes under Code of Federal Regulations, title 26, section 301.7701-3; or

(iv) a trust to the extent the property is includable in the decedent's federal gross estate; but excludes

(v) an entity whose ownership interest securities are traded on an exchange regulated by the Securities and Exchange Commission as a national securities exchange under section 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time the changes were effective for federal purposes.

Sec. 16. **NONCONFORMITY ADJUSTMENT.**

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

(b) For an individual, estate, or trust:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this section; and

(2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision 1, and the rules in that subdivision apply for this section.

(c) For a corporation other than an S corporation:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0134, subdivision 1, and the rules in that subdivision apply for this section; and

(2) "addition" has the meaning given in Minnesota Statutes, section 290.0133, subdivision 1, and the rules in that subdivision apply for this section.

(d) "Pass-through entity" means an entity that is not subject to the tax imposed under section 290.02, including but not limited to S corporations, partnerships, estates, and trusts other than grantor trusts.

(e) The definitions in Minnesota Statutes, section 290.01, apply for this section.

Subd. 2. **Calculation of nonconformity adjustment** A taxpayer's nonconformity adjustment equals the difference between adjusted gross income, as defined under section 62 of the Internal Revenue Code for individuals, and federal taxable income as defined under section 63 of the Internal Revenue Code for all other taxpayers incorporating the Internal Revenue Code as amended through Laws 2021, First Special Session chapter 14, and the

amount calculated under this chapter incorporating the Internal Revenue Code as amended through November 15, 2021, but does not include impacts to state tax credits. The nonconformity adjustment is an addition or subtraction to net income but does not include the following federal law changes:

(1) Taxpayer Certainty and Disaster Tax Relief Act of 2019, Public Law 116-94, section 104, deduction of qualified tuition and related expenses;

(2) Taxpayer Certainty and Disaster Tax Relief Act of 2019, Public Law 116-94, section 203, employee retention credit for employers affected by qualified disasters;

(3) Families First Coronavirus Response Act, Public Law 116-127, section 7001, payroll credit for required paid sick leave;

(4) Families First Coronavirus Response Act, Public Law 116-127, section 7003, payroll credit for required paid family leave;

(5) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section 2204, allowance of partial above the line deduction for charitable contributions;

(6) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section 2205(a), modification of limitations on charitable contributions during 2020;

(7) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section 2301, employee retention credit for employers subject to closure due to COVID-19;

(8) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section 2303, modifications for net operating losses;

(9) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section 2304, modification of limitation on losses for taxpayers other than corporations;

(10) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section 2306, limitation on business interest;

(11) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260, section 207, extension and modification of employee retention and rehiring credit;

(12) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260, section 210, temporary allowance of full deduction for business meals;

(13) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260, section 212, certain charitable contributions by nonitemizers;

(14) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260, section 213, modification of limitations on charitable contributions;

(15) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260, section 303, employee retention credit for employers affected by qualified disasters;

(16) Taxpayer Certainty and Disaster Tax Relief Act of 2020, Public Law 116-260, section 304(a), special rules for qualified disaster relief contributions;

(17) American Rescue Plan Act, Public Law 117-2, section 9501(b), preserving health benefits for workers;

(18) American Rescue Plan Act, Public Law 117-2, section 9631, refundability and enhancement of child and dependent care tax credit;

(19) American Rescue Plan Act, Public Law 117-2, section 9641, payroll sick and family leave credits;

(20) American Rescue Plan Act, Public Law 117-2, section 9651, extension of employee retention credit; and

(21) any changes excluded from the special limited adjustment under section 290.993, subdivision 2, paragraph (c).

Subd. 3. **Timing of adjustment for pass-through entities.** Partners, shareholders, or beneficiaries who file their returns on a calendar year basis, and who received an addition or subtraction from a pass-through entity filing their return on a fiscal year basis, must make the addition or subtraction under this section in the taxable year it is received as required for federal income tax purposes.

Subd. 4. **Special limited adjustment addition; individuals, estates, and trusts.** For an individual, estate, or trust, the amount of a nonconformity adjustment under subdivision 2 that increases net income for the taxable year is an addition.

Subd. 5. **Special limited adjustment subtraction; individuals, estates, and trusts.** For an individual, estate, or trust, the amount of a nonconformity adjustment under subdivision 2 that decreases net income for the taxable year is a subtraction.

Subd. 6. **Special limited adjustment addition; C corporations.** For a corporation other than an S corporation, the amount of a nonconformity adjustment under subdivision 2 that increases net income for the taxable year is an addition.

Subd. 7. **Special limited adjustment subtraction; individuals, estates, and trusts.** For a corporation other than an S corporation, the amount of a nonconformity adjustment under subdivision 2 that decreases net income for the taxable year is a subtraction.

Subd. 8. **Nonresident apportionment; alternative minimum tax.** (a) The commissioner of revenue must apply each of the subtractions and additions in this section when calculating the following amounts:

(1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e);

(2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section 290.091.

(b) The commissioner of revenue must consider each of the subtractions and additions in this section when calculating "income" as defined in Minnesota Statutes, section 289A.08.

EFFECTIVE DATE. (a) Subdivisions 1 to 7 are effective for taxable years beginning after December 31, 2021 and before January 1, 2023, except for a pass-through entity covered by subdivision 3, subdivisions 1 to 7 are effective retroactively for the taxable years the addition or subtraction is required in that subdivision.

(b) Subdivision 8 is effective retroactively for any taxable year in which a taxpayer had an addition or a subtraction under this section.

Sec. 17. **REPEALER.**

Minnesota Statutes 2021 Supplement, section 290.0111, is repealed.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

ARTICLE 2
INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2020, 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, or a limited liability company owned by 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) 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) 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) "Family member" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

(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.

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

(g) "Limited liability company" means a family farm limited liability company, an authorized farm limited liability company, or other limited liability company authorized to engage in farming and own, acquire, or otherwise obtain an interest in agricultural land under section 500.24.

~~(g)~~ (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.

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

~~(i)~~ (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, 2021.

Sec. 2. Minnesota Statutes 2020, 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) five percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of $32,000;

(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) Notwithstanding subdivision 1, paragraph (c), for purposes of the credit for the sale of an agricultural asset under paragraph (a), clause (1), the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.

(g) For a qualifying sale to a family member to qualify for the credit under paragraph (a), clause (1), the sale price of the agricultural asset must equal or exceed the assessed value of the asset under chapter 273 as of the date of the sale. If there is no assessed value, the sale price must equal or exceed 80 percent of the fair market value of the asset as of the date of the sale.

(h) For the purposes of this section, "qualifying 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 asset; or

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

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 3. Minnesota Statutes 2020, 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:

(1) $5,000,000 for taxable years beginning after December 31, 2017, and before January 1, 2019~~, and must not allocate more than~~;

(2) $6,000,000 for taxable years beginning after December 31, 2018, and before January 1, 2022; and

(3) $5,700,000 for taxable years beginning after December 31, 2021.

(d) 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 in any taxable year does not cancel and is added to the allocation for the next taxable year.

(e) $300,000 in fiscal year 2023 and $300,000 in fiscal year 2024 are appropriated from the general fund to the Rural Finance Authority to develop an online application system and administer the credits under this section. The base for the appropriation is $0 in fiscal year 2025 and later.

(f) To encourage socially disadvantaged farmers and ranchers to apply for and receive credits under this section, the authority must promote the availability of this credit to socially disadvantaged farmers and ranchers, and must provide application assistance targeted to socially disadvantaged farmers and ranchers. For the purposes of this section, "socially disadvantaged farmer or rancher" has the meaning given in United States Code, title 7, section 2279(a)(5).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 4. Minnesota Statutes 2021 Supplement, section 116J.8737, subdivision 5, is amended to read:

Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit equal to 25 percent of the qualified investment in a qualified small business. Investments made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The commissioner must not allocate to qualified investors or qualified funds more than the dollar amount in credits allowed for the taxable years listed in paragraph (i). For each taxable year, 50 percent must be allocated to credits for qualified investments in qualified greater Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified small businesses in Minnesota. Any portion of a

taxable year's credits that is reserved for qualified investments in greater Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified small businesses in Minnesota that is not allocated by September 30 of the taxable year is available for allocation to other credit applications beginning on October 1. Any portion of a taxable year's credits that is not allocated by the commissioner does not cancel and may be carried forward to subsequent taxable years until all credits have been allocated.

(b) The commissioner may not allocate more than a total maximum amount in credits for a taxable year to a qualified investor for the investor's cumulative qualified investments as an individual qualified investor and as an investor in a qualified fund; for married couples filing joint returns the maximum is $250,000, and for all other filers the maximum is $125,000. The commissioner may not allocate more than a total of $1,000,000 in credits over all taxable years for qualified investments in any one qualified small business.

(c) The commissioner may not allocate a credit to a qualified investor either as an individual qualified investor or as an investor in a qualified fund if, at the time the investment is proposed:

(1) the investor is an officer or principal of the qualified small business; or

(2) the investor, either individually or in combination with one or more members of the investor's family, owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of the qualified small business.

A member of the family of an individual disqualified by this paragraph is not eligible for a credit under this section. For a married couple filing a joint return, the limitations in this paragraph apply collectively to the investor and spouse. For purposes of determining the ownership interest of an investor under this paragraph, the rules under section 267(c) and 267(e) of the Internal Revenue Code apply.

(d) Applications for tax credits must be made available on the department's website by November 1 of the preceding year.

(e) Qualified investors and qualified funds must apply to the commissioner for tax credits. Tax credits must be allocated to qualified investors or qualified funds in the order that the tax credit request applications are filed with the department. The commissioner must approve or reject tax credit request applications within 15 days of receiving the application. The investment specified in the application must be made within 60 days of the allocation of the credits. If the investment is not made within 60 days, the credit allocation is canceled and available for reallocation. A qualified investor or qualified fund that fails to invest as specified in the application, within 60 days of allocation of the credits, must notify the commissioner of the failure to invest within five business days of the expiration of the 60-day investment period.

(f) All tax credit request applications filed with the department on the same day must be treated as having been filed contemporaneously. If two or more qualified investors or qualified funds file tax credit request applications on the same day, and the aggregate amount of credit allocation claims exceeds the aggregate limit of credits under this section or the lesser amount of credits that remain unallocated on that day, then the credits must be allocated among the qualified investors or qualified funds who filed on that day on a pro rata basis with respect to the amounts claimed. The pro rata allocation for any one qualified investor or qualified fund is the product obtained by multiplying a fraction, the numerator of which is the amount of the credit allocation claim filed on behalf of a qualified investor and the denominator of which is the total of all credit allocation claims filed on behalf of all applicants on that day, by the amount of credits that remain unallocated on that day for the taxable year.

(g) A qualified investor or qualified fund, or a qualified small business acting on their behalf, must notify the commissioner when an investment for which credits were allocated has been made, and the taxable year in which the investment was made. A qualified fund must also provide the commissioner with a statement indicating the amount invested by each investor in the qualified fund based on each investor's share of the assets of the qualified fund at

the time of the qualified investment. After receiving notification that the investment was made, the commissioner must issue credit certificates for the taxable year in which the investment was made to the qualified investor or, for an investment made by a qualified fund, to each qualified investor who is an investor in the fund. The certificate must state that the credit is subject to revocation if the qualified investor or qualified fund does not hold the investment in the qualified small business for at least three years, consisting of the calendar year in which the investment was made and the two following years. The three-year holding period does not apply if:

(1) the investment by the qualified investor or qualified fund becomes worthless before the end of the three-year period;

(2) 80 percent or more of the assets of the qualified small business is sold before the end of the three-year period;

(3) the qualified small business is sold before the end of the three-year period;

(4) the qualified small business's common stock begins trading on a public exchange before the end of the three-year period; or

(5) the qualified investor dies before the end of the three-year period.

(h) The commissioner must notify the commissioner of revenue of credit certificates issued under this section.

(i) The credit allowed under this subdivision is effective as follows:

(1) $10,000,000 for taxable years beginning after December 31, 2020, and before January 1, 2022; and

(2) ~~$5,000,000~~ $12,000,000 for taxable years beginning after December 31, 2021, and before January 1, 2023.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2021.

Sec. 5. Minnesota Statutes 2021 Supplement, section 116U.27, subdivision 1, is amended to read:

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

(b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer upon receipt of an initial application for a credit for a project that has not yet been completed.

(c) "Application" means the application for a credit under subdivision 4.

(d) "Commissioner" means the commissioner of employment and economic development.

(e) "Credit certificate" means a certificate issued by the commissioner upon submission of the cost verification report in subdivision 4, paragraph (e).

(f) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

(g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(h) "Project" means a film:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least $1,000,000 in ~~the taxable year~~ any consecutive twelve-month period for eligible production costs, provided that the taxpayer designates the months used for the period to the commissioner and does not designate a month previously designated; and

(3) to the extent practicable, that employs Minnesota residents.

(i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the commissioner and lasting approximately five seconds, that promotes Minnesota within its presentation in the end credits before the below-the-line crew crawl for the life of the project.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 6. Minnesota Statutes 2021 Supplement, section 116U.27, subdivision 2, is amended to read:

Subd. 2. **Credit allowed.** A taxpayer is eligible for a credit up to 25 percent of any eligible production costs paid in a taxable year. A taxpayer may only claim a credit if the taxpayer was issued a credit certificate under subdivision 4.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 7. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7a, is amended to read:

Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the addition provided in section 290.0131, subdivision 5, and the subtraction provided in section 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The income of ~~both~~ a resident ~~and~~ qualifying owner of an entity taxed as a partnership under the Internal Revenue Code is not subject to allocation outside this state as provided for resident individuals under section 290.17, subdivision 1, paragraph (a). The income of a nonresident qualifying owner or the income of a qualifying owner of an entity taxed as an S corporation including a qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal Revenue Code is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20;

(2) "qualifying entity" means a partnership, limited liability company taxed as a partnership or S corporation, or S corporation including a qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity ~~does not~~ may include a partnership, limited liability company, or corporation that has a ~~partnership, limited liability company other than a disregarded entity, or~~ corporation as a partner, member, or shareholder, provided those entities are excluded from the qualifying entity's tax return; the entity is taxed as a partnership, limited liability company, or S corporation; and is not a publicly traded partnership, as defined in section 7704 of the Internal Revenue Code, as amended through January 1, 2021; and

(3) "qualifying owner" means:

(i) a resident or nonresident individual trust or estate that is a partner, member, or shareholder of a qualifying entity; ~~or~~

(ii) ~~a resident or nonresident trust that is a shareholder of a qualifying entity that is an S corporation~~ an entity taxed as a partnership under the Internal Revenue Code; or

(iii) a disregarded entity that has a qualifying owner as its single owner.

(b) For taxable years beginning after December 31, 2020, in which the taxes of a qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code, a qualifying entity may elect to file a return and pay the pass-through entity tax imposed under paragraph (c). The election:

(1) must be made on or before the due date or extended due date of the qualifying entity's pass-through entity tax return;

(2) may only be made by qualifying owners who collectively hold more than a 50 percent ownership interest in the qualifying entity;

(3) is binding on all qualifying owners who have an ownership interest in the qualifying entity; and

(4) once made is irrevocable for the taxable year.

(c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

(d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount of the qualifying owner's income multiplied by the highest tax rate for individuals under section 290.06, subdivision 2c. When making this determination:

(1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed; and

(2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

(e) The amount of each credit and deduction used to determine a qualifying owner's tax liability under paragraph (d) must also be used to determine that qualifying owner's income tax liability under chapter 290.

(f) This subdivision does not negate the requirement that a qualifying owner pay estimated tax if the qualifying owner's tax liability would exceed the requirements set forth in section 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's tax liability as determined under paragraph (d) is, however, satisfied when the qualifying entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated tax.

(g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the treatment of distributions, is determined as if the election to pay the pass-through entity tax under paragraph (b) is not made.

(h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a pass-through entity tax return must be treated as a composite return and a qualifying entity filing a pass-through entity tax return must be treated as a partnership filing a composite return.

(i) The provisions of subdivision 17 apply to the election to pay the pass-through entity tax under this subdivision.

(j) If a nonresident qualifying owner of a qualifying entity making the election to file and pay the tax under this subdivision has no other Minnesota source income, filing of the pass-through entity tax return is a return for purposes of subdivision 1, provided that the nonresident qualifying owner must not have any Minnesota source income other than the income from the qualifying entity, other electing qualifying entities, and other partnerships electing to file a composite return under subdivision 7. If it is determined that the nonresident qualifying owner has other Minnesota source income, the inclusion of the income and tax liability for that owner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the qualifying owner as part of the pass-through entity tax return is allowed as a payment of the tax by the qualifying owner on the date on which the pass-through entity tax return payment was made.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020.

Sec. 8. Minnesota Statutes 2021 Supplement, section 289A.382, subdivision 2, is amended to read:

Subd. 2. **Reporting and payment requirements for partnerships and tiered partners.** (a) Except for when an audited partnership makes the election in subdivision 3, and except for negative federal adjustments required under federal law taken into account by the partnership in the partnership return for the adjustment or other year, all final federal adjustments of an audited partnership must comply with paragraph (b) and each direct partner of the audited partnership, other than a tiered partner, must comply with paragraph (c).

(b) No later than 90 days after the final determination date, the audited partnership must:

(1) file a completed federal adjustments report, including all partner-level information required under section 289A.12, subdivision 3, with the commissioner;

(2) notify each of its direct partners of their distributive share of the final federal adjustments;

(3) file an amended composite report for all direct partners who were included in a composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the additional amount that would have been due had the federal adjustments been reported properly as required; ~~and~~

(4) file amended withholding reports for all direct partners who were or should have been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed year, and pay the additional amount that would have been due had the federal adjustments been reported properly as required~~.~~; and

(5) file an amended pass-through entity tax report for all direct partners who were included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the reviewed year, and pay the additional amount that would have been due had the federal adjustments been reported properly as required.

(c) No later than 180 days after the final determination date, each direct partner, other than a tiered partner, that is subject to a tax administered under this chapter, other than the sales tax, must:

(1) file a federal adjustments report reporting their distributive share of the adjustments reported to them under paragraph (b), clause (2); and

(2) pay any additional amount of tax due as if the final federal adjustment had been properly reported, plus any penalty and interest due under this chapter, and less any credit for related amounts paid or withheld and remitted on behalf of the direct partner under paragraph (b), clauses (3) and (4).

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020.

Sec. 9. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision to read:

Subd. 20. **Dependent flexible spending accounts.** For a taxpayer who claims the credit under section 290.067, or for a married taxpayer filing a separate return whose spouse claims the credit under that section, the amount of dependent care assistance that is excluded from gross income under section 129 of the Internal Revenue Code is an addition.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 10. Minnesota Statutes 2020, section 290.0132, subdivision 21, is amended to read:

Subd. 21. **Military service pension; retirement pay.** (a) To the extent included in federal adjusted gross income, compensation received from a pension or other retirement pay from the federal government for service in the military~~, as~~ is a subtraction. Only the following amounts may be subtracted under this subdivision:

(1) compensation computed under United States Code, title 10, sections 1401 to 1414, 1447 to 1455, and 12733~~, is a subtraction.~~;

(2) the total amount of a federal employee retirement system pension under United States Code, title 5, chapter 84, multiplied by the taxpayer's military service ratio; and

(3) the total amount of a civil service retirement system pension under United States Code, title 5, chapter 83, subchapter III, multiplied by the taxpayer's military service ratio.

(b) The subtraction is limited to individuals who do not claim the credit under section 290.0677.

(c) For purposes of this subdivision, "military service ratio" means:

(1) in the case of a federal employee retirement system pension, the years of service credited to the taxpayer for military service under United States Code, title 5, section 8411, divided by the total service credited to the taxpayer under that section; and

(2) in the case of a civil service retirement system pension, the years of service credited to the taxpayer for military service under United States Code, title 5, section 8322, divided by the total service credited to the taxpayer under that section.

(d) For purposes of calculating the ratio under paragraph (b), the commissioner must consider the number of full years and months credited to the taxpayer, excluding any fractional part of a month, if any.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020.

Sec. 11. Minnesota Statutes 2020, section 290.0132, subdivision 26, is amended to read:

Subd. 26. **Social Security benefits.** (a) A ~~portion of taxable Social Security benefits is allowed as a subtraction. The~~ taxpayer is allowed a subtraction ~~equals~~ equal to the greater of the simplified subtraction determined under paragraph (b) or the alternate subtraction determined under paragraphs (c), (d), and (e).

(b) A taxpayer's simplified subtraction equals the amount of taxable Social Security benefits. For a taxpayer with adjusted gross income above the phaseout threshold, the subtraction is reduced by ten percent for each $4,000 of adjusted gross income, or fraction thereof, in excess of the threshold. The phaseout threshold equals:

(1) $75,000 for a married taxpayer filing a joint return or surviving spouse;

(2) $58,600 for a single or head of household taxpayer; or

(3) half the amount allowed under clause (1) for a married taxpayer filing a separate return.

(c) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits or a maximum subtraction subject to the limits under paragraphs ~~(b), (c), and~~ (d), (e), and (f).

~~(b)~~ (d) For married taxpayers filing a joint return and surviving spouses, the maximum subtraction under paragraph (c) equals ~~$5,150~~ $5,450. The maximum subtraction is reduced by 20 percent of provisional income over ~~$78,180~~ $82,770. In no case is the subtraction less than zero.

~~(c)~~ (e) For single or head-of-household taxpayers, the maximum subtraction under paragraph (c) equals ~~$4,020~~ $4,260. The maximum subtraction is reduced by 20 percent of provisional income over ~~$61,080~~ $64,670. In no case is the subtraction less than zero.

~~(d)~~ (f) For married taxpayers filing separate returns, the maximum subtraction under paragraph (c) equals one-half the maximum subtraction for joint returns under paragraph ~~(b)~~ (d). The maximum subtraction is reduced by 20 percent of provisional income over one-half the threshold amount specified in paragraph ~~(b)~~ (d). In no case is the subtraction less than zero.

~~(e)~~ (g) For purposes of this subdivision, "provisional income" means modified adjusted gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of the taxable Social Security benefits received during the taxable year, and "Social Security benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.

~~(f)~~ (h) The commissioner shall adjust the maximum subtraction and threshold amounts in paragraphs (b) to ~~(d)~~ (f) as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2022. The ~~maximum subtraction and~~ phaseout threshold amounts as adjusted must be rounded to the nearest $10 amount. If the amount ends in $5, the amount is rounded up to the nearest $10 amount.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 12. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision to read:

Subd. 32. **Emergency assistance for postsecondary student grants.** (a) An emergency grant for postsecondary students is a subtraction.

(b) For the purposes of this subdivision, "emergency grant for postsecondary students" means an emergency grant to a student of an eligible institution, as defined in section 136A.103, to meet the financial needs of a student that could result in the student not completing the term or their program, including but not limited to grants provided under Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 24.

(c) This subdivision expires for taxable years beginning after December 31, 2029.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021, and before January 1, 2030.

Sec. 13. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision to read:

Subd. 33. **Workforce incentive fund grant payments.** (a) The amount of workforce incentive grants received by an eligible worker under section 256.4778 is a subtraction.

(b) This subdivision expires for taxable years beginning after December 31, 2029.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021, and before January 1, 2030.

Sec. 14. Minnesota Statutes 2021 Supplement, section 290.06, subdivision 22, is amended to read:

Subd. 22. **Credit for taxes paid to another state.** (a) A taxpayer who is liable for taxes based on net income to another state, as provided in paragraphs (b) through (f), upon income allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7, paragraph (b), and who is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(b) For an individual, estate, or trust, the credit is determined by multiplying the tax payable under this chapter by the ratio derived by dividing the income subject to tax in the other state that is also subject to tax in Minnesota while a resident of Minnesota by the taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue Code, modified by the addition required by section 290.0131, subdivision 2, and the subtraction allowed by section 290.0132, subdivision 2, to the extent the income is allocated or assigned to Minnesota under sections 290.081 and 290.17.

(c) If the taxpayer is an athletic team that apportions all of its income under section 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this chapter by the ratio derived from dividing the total net income subject to tax in the other state by the taxpayer's Minnesota taxable income.

(d)(1) The credit determined under paragraph (b) or (c) shall not exceed the amount of tax so paid to the other state on the gross income earned within the other state subject to tax under this chapter; and

(2) the allowance of the credit does not reduce the taxes paid under this chapter to an amount less than what would be assessed if the gross income earned within the other state were excluded from taxable net income.

(e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032. To the extent the total lump-sum distribution defined in section 290.032, subdivision 1, includes lump-sum distributions received in prior years or is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution allowed under section 290.032, subdivision 2, includes tax paid to another state that is properly apportioned to that distribution.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state. The taxpayer must submit sufficient proof to show entitlement to a credit.

(g) For the purposes of this subdivision, a resident shareholder of a corporation treated as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to another state. For the purposes of the preceding sentence, the term "net income tax" means any tax imposed on or measured by a corporation's net income.

(h) For the purposes of this subdivision, a resident partner of an entity taxed as a partnership under the Internal Revenue Code must be considered to have paid a tax imposed on the partner in an amount equal to the partner's pro rata share of any net income tax paid by the partnership to another state. For purposes of the preceding sentence, the term "net income" tax means any tax imposed on or measured by a partnership's net income. For purposes of this paragraph, "partnership" includes a limited liability company and "partner" includes a member of a limited liability company.

(i) For the purposes of this subdivision, "another state":

(1) includes:

(i) the District of Columbia; and

(ii) a province or territory of Canada; but

(2) excludes Puerto Rico and the several territories organized by Congress.

(j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a state by state basis.

(k) For a tax imposed by a province or territory of Canada, the tax for purposes of this subdivision is the excess of the tax over the amount of the foreign tax credit allowed under section 27 of the Internal Revenue Code. In determining the amount of the foreign tax credit allowed, the net income taxes imposed by Canada on the income are deducted first. Any remaining amount of the allowable foreign tax credit reduces the provincial or territorial tax that qualifies for the credit under this subdivision.

(l)(1) The credit allowed to a qualifying individual under this section for tax paid to a qualifying state equals the credit calculated under paragraphs (b) and (d), plus the amount calculated by multiplying:

(i) the difference between the preliminary credit and the credit calculated under paragraphs (b) and (d), by

(ii) the ratio derived by dividing the income subject to tax in the qualifying state that consists of compensation for performance of personal or professional services by the total amount of income subject to tax in the qualifying state.

(2) If the amount of the credit that a qualifying individual is eligible to receive under clause (1) for tax paid to a qualifying state exceeds the tax due under this chapter before the application of the credit calculated under clause (1), the commissioner shall refund the excess to the qualifying individual. An amount sufficient to pay the refunds required by this subdivision is appropriated to the commissioner from the general fund.

(3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying state without regard to the limitation in paragraph (d), clause (2); "qualifying individual" means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received compensation during the taxable year for the performance of personal or professional services within a qualifying state; and "qualifying state" means a state with which an agreement under section 290.081 is not in effect for the taxable year but was in effect for a taxable year beginning before January 1, 2010.

(m) For purposes of this subdivision, a resident sole member of a disregarded limited liability company must be considered to have paid a tax imposed on the sole member in an amount equal to the net income tax paid by the disregarded limited liability company to another state. For the purposes of this paragraph, the term "disregarded limited liability company" means a limited liability company that is disregarded as an entity separate from its owner as defined in Code of Federal Regulations, title 26, section 301.7701; and "net income" tax means any tax imposed on or measured by a disregarded limited liability company's net income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 15. Minnesota Statutes 2020, section 290.067, is amended to read:

290.067 ~~DEPENDENT~~ GREAT START CHILD CARE AND DEPENDENT CARE CREDIT.

Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to ~~the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code except that in determining whether the child qualified as a dependent, income received as a Minnesota family investment program grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer~~ the taxpayer's eligible dependent care expenses, as determined under subdivisions 1a and 1b, multiplied by the taxpayer's credit percentage, as determined under subdivision 1c.

~~(b) If a child who has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.~~

~~(c) If a married couple:~~

~~(1) has a child who has not attained the age of one year at the close of the taxable year;~~

~~(2) files a joint tax return for the taxable year; and~~

~~(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) the amount of the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment related expenses have been paid.~~

~~(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:~~

~~(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or~~

~~(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.~~

~~In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.~~

~~(e)~~ (b) In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter ~~including earned income excluded pursuant to section 290.0132, subdivision 10,~~ the credit determined under ~~section 21 of the Internal Revenue Code~~ this section must be allocated ~~based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse~~ using the percentage calculated in section 290.06, subdivision 2c, paragraph (e).

(c) For the purposes of this section, the following terms have the meanings given:

(1) "employment-related expenses" has the meaning given in section 21(b)(2) of the Internal Revenue Code;

(2) "qualifying individual" has the meaning given in section 21(b)(1) of the Internal Revenue Code, except that in determining whether the child qualified as a dependent, income received as a Minnesota family investment program grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer; and

(3) "young child" means a qualifying individual who had not attained the age of five by December 31 of the taxable year.

~~(f) For residents of Minnesota, the subtractions for military pay under section 290.0132, subdivisions 11 and 12, are not considered "earned income not subject to tax under this chapter."~~

~~(g) For residents of Minnesota, the exclusion of combat pay under section 112 of the Internal Revenue Code is not considered "earned income not subject to tax under this chapter."~~

~~(h) For taxpayers with federal adjusted gross income in excess of $52,230, the credit is equal to the lesser of the credit otherwise calculated under this subdivision, or the amount equal to $600 minus five percent of federal adjusted gross income in excess of $52,230 for taxpayers with one qualified individual, or $1,200 minus five percent of federal adjusted gross income in excess of $52,230 for taxpayers with two or more qualified individuals, but in no case is the credit less than zero.~~

Subd. 1a. **Eligible dependent care expenses.** (a) A taxpayer's eligible dependent care expenses equals the amount of employment-related expenses incurred by the taxable year, subject to the limitations in paragraphs (b) and (c).

(b) Except as provided in subdivision 1b, a taxpayer's eligible dependent care expenses are limited to:

(1) $3,000 if there was one qualifying individual with respect to the taxpayer; or

(2) $6,000 if there were two or more qualifying individuals with respect to the taxpayer.

Subd. 1b. **Special rules for tax years 2022 to 2028.** For taxable years beginning after December 31, 2021, and before January 1, 2029, for a taxpayer with a young child, the limit in paragraph (b) is increased as follows:

(1) for a taxpayer with one young child with respect to the taxpayer, the limit is increased by $3,000;

(2) for a taxpayer with two young children with respect to the taxpayer, the limit is increased by $6,000; or

(3) for a taxpayer with three or more young children with respect to the taxpayer, the limit is increased by $9,000.

Subd. 1c. **Credit percentage.** (a) The credit percentage equals 50 percent, subject to the reductions in paragraphs (b) and (c).

(b) A taxpayer's credit percentage is reduced by one percentage point for each $2,000, or fraction thereof, by which the taxpayer's adjusted gross income exceeds $125,000, until the credit percentage equals 20 percent.

(c) For a taxpayer with adjusted gross income in excess of $400,000, the credit percentage equals 20 percent, reduced by one percentage point for each $2,000, or fraction thereof, by which the taxpayer's adjusted gross income exceeds $400,000.

Subd. 2b. **Inflation adjustment.** The commissioner shall annually adjust the dollar amount of the income threshold at which the ~~maximum~~ credit percentage begins to be reduced under subdivision ~~1~~ 1c as provided in section 270C.22. The statutory year is taxable year ~~2019~~ 2022.

Subd. 2c. **Deemed expenses.** (a) If a child who has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. The amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(b) If a married couple:

(1) has a child who has not attained the age of one year at the close of the taxable year; and

(2) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code; then in lieu of the actual employment-related expenses paid for that child under or the deemed amount under paragraph (a), the amount deemed to be the employment-related expense paid for that child equals the lesser of:

(i) the combined earned income of the couple; or

(ii) the amount of the maximum limit for one qualified individual under subdivision 1a, as increased by subdivision 1b.

The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

Subd. 2d. **Identifying information required.** (a) No credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

(b) The rule in section 21(e)(10) of the Internal Revenue Code applies for the credit under this section.

Subd. 3. **Credit to be refundable.** If the amount of credit which a claimant would be eligible to receive pursuant to this subdivision exceeds the claimant's tax liability under chapter 290, the excess amount of the credit shall be refunded to the claimant by the commissioner of revenue. An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

Subd. 4. **Right to file claim.** The right to file a claim under this section shall be personal to the claimant and shall not survive death, but such right may be exercised on behalf of a claimant by the claimant's legal guardian or attorney-in-fact. When a claimant dies after having filed a timely claim the amount thereof shall be disbursed to another member of the household as determined by the commissioner of revenue. If the claimant was the only member of a household, the claim may be paid to the claimant's personal representative, but if neither is appointed and qualified within two years of the filing of the claim, the amount of the claim shall escheat to the state.

Subd. 5. **Employment-related expenses.** For the purposes of determining employment-related expenses, the provisions of sections 21(d) and 21(e)(6) of the Internal Revenue Code apply.

Subd. 6. **Rules for married couples filing separate returns.** A married taxpayer filing a separate return may claim the credit under this section, but only one spouse may claim the credit.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 16. Minnesota Statutes 2021 Supplement, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code, except that:

(1) a taxpayer with no qualifying children who has attained the age of 19, but not attained age 65 before the close of the taxable year and is otherwise eligible for a credit under section 32 of the Internal Revenue Code may also receive a credit; ~~and~~

(2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted gross income exceeds the income limitation under section 32 of the Internal Revenue Code~~.~~; and

(3) the requirements of section 32(m) of the Internal Revenue Code do not apply.

(b) For individuals with no qualifying children, the credit equals 3.9 percent of the first $7,150 of earned income. The credit is reduced by 2.0 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(c) For individuals with one qualifying child, the credit equals 9.35 percent of the first $11,950 of earned income. The credit is reduced by 6.0 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(d) For individuals with two qualifying children, the credit equals 11 percent of the first $19,600 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(e) For individuals with three or more qualifying children, the credit equals 12.5 percent of the first $20,000 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in no case is the credit less than zero.

(f) For a part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(g) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, including income excluded under section 290.0132, subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income. For purposes of this paragraph, the following clauses are not considered "earned income not subject to tax under this chapter":

(1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;

(2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

(3) income derived from an Indian reservation by an enrolled member of the reservation while living on the reservation.

(h) For the purposes of this section, the phaseout threshold equals:

(1) $14,570 for married taxpayers filing joint returns with no qualifying children;

(2) $8,730 for all other taxpayers with no qualifying children;

(3) $28,610 for married taxpayers filing joint returns with one qualifying child;

(4) $22,770 for all other taxpayers with one qualifying child;

(5) $32,840 for married taxpayers filing joint returns with two qualifying children;

(6) $27,000 for all other taxpayers with two qualifying children;

(7) $33,140 for married taxpayers filing joint returns with three or more qualifying children; and

(8) $27,300 for all other taxpayers with three or more qualifying children.

(i) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 17. Minnesota Statutes 2020, section 290.0674, subdivision 2, is amended to read:

Subd. 2. **Limitations.** (a) For claimants with adjusted gross income not greater than ~~$33,500~~ $70,000, the maximum credit allowed for a family is $1,000 multiplied by the number of qualifying children in kindergarten through grade 12 in the family. The maximum credit for families with one qualifying child in kindergarten through grade 12 is reduced by $1 for each $4 of ~~household~~ adjusted gross income over ~~$33,500~~ $70,000, and the maximum credit for families with two or more qualifying children in kindergarten through grade 12 is reduced by $2 for each $4 of ~~household~~ adjusted gross income over ~~$33,500~~ $70,000, but in no case is the credit less than zero.

(b) In the case of a married claimant, a credit is not allowed unless a joint income tax return is filed.

(c) For a nonresident or part-year resident, the credit determined under subdivision 1 and the maximum credit amount in paragraph (a) must be allocated using the percentage calculated in section 290.06, subdivision 2c, paragraph (e).

(d) The commissioner shall annually adjust the household income limitation in paragraph (a) as provided in section 270C.22. The statutory year is 2022.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 18. Minnesota Statutes 2020, section 290.0681, subdivision 2, is amended to read:

Subd. 2. **Credit or grant allowed; certified historic structure.** (a) A credit is allowed against the tax imposed under this chapter equal to not more than 100 percent of the credit allowed under section 47(a) of the Internal Revenue Code for a project. ~~The credit is payable in five equal yearly installments beginning with the year the project is placed in service.~~ Notwithstanding the provisions of section 47(a) of the Internal Revenue Code that require the federal credit to be allocated ratably over a five-year period, the full amount of the credit under this section is allowed in the taxable year in which the qualified rehabilitated building is placed in service. To qualify for the credit:

(1) the project must receive Part 3 certification and be placed in service during the taxable year; and

(2) the taxpayer must be allowed the federal credit and be issued a credit certificate for the taxable year as provided in subdivision 4.

(b) The commissioner of administration may pay a grant in lieu of the credit. The grant equals 90 percent of the credit that would be allowed for the project. The grant is payable ~~in five equal yearly installments beginning with~~ in the year the project is placed in service.

(c) In lieu of the credit under paragraph (a), an insurance company may claim a credit against the insurance premiums tax imposed under chapter 297I.

EFFECTIVE DATE. This section is effective for property placed in service after June 30, 2022.

Sec. 19. Minnesota Statutes 2020, section 290.0681, subdivision 3, is amended to read:

Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section, the developer of a project must apply to the office before the rehabilitation begins. The application must contain the information and be in the form prescribed by the office. The office may collect a fee for application of up to 0.5 percent of qualified rehabilitation expenditures, up to $40,000, based on estimated qualified rehabilitation expenditures, to offset costs associated with personnel and administrative expenses related to administering the credit and preparing the economic impact report in subdivision 9. Application fees are deposited in the account. The application must indicate if the application is for a credit or a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying for the credit or the recipient of the grant.

(b) Upon approving an application for credit, the office shall issue allocation certificates that:

(1) verify eligibility for the credit or grant;

(2) state the amount of credit or grant anticipated with the project, with the credit amount equal to 100 percent and the grant amount equal to 90 percent of the federal credit anticipated in the application;

(3) state that the credit or grant allowed may increase or decrease if the federal credit the project receives at the time it is placed in service is different than the amount anticipated at the time the allocation certificate is issued; and

(4) state the fiscal year in which the credit or grant is allocated, and:

(i) for property placed in service before July 1, 2022, that the taxpayer or grant recipient is entitled to receive one-fifth of the total amount of either the credit or the grant at the time the project is placed in service, provided that date is within three calendar years following the issuance of the allocation certificate~~.~~; or

(ii) for property placed in service after June 30, 2022, that the taxpayer or grant recipient is entitled to receive the full amount of the credit or the grant in the taxable year that the project is placed in service, provided that date is within three calendar years following the issuance of the allocation certificate.

(c) The office, in consultation with the commissioner, shall determine if the project is eligible for a credit or a grant under this section and must notify the developer in writing of its determination. Eligibility for the credit is subject to review and audit by the commissioner.

(d) The federal credit recapture and repayment requirements under section 50 of the Internal Revenue Code do not apply to the credit allowed under this section.

(e) Any decision of the office under paragraph (c) may be challenged as a contested case under chapter 14. The contested case proceeding must be initiated within 45 days of the date of written notification by the office.

EFFECTIVE DATE. This section is effective retroactively for allocation certificates issued prior to the date of enactment for property placed in service after June 30, 2022.

Sec. 20. Minnesota Statutes 2020, section 290.0681, subdivision 4, is amended to read:

Subd. 4. **Credit certificates; grants.** (a)(1) The developer of a project for which the office has issued an allocation certificate must notify the office when the project is placed in service. Upon verifying that the project has been placed in service, and was allowed a federal credit, the office must issue a credit certificate to the taxpayer designated in the application or must issue a grant to the recipient designated in the application. The credit certificate must state the amount of the credit.

(2) The credit amount equals the federal credit allowed for the project.

(3) The grant amount equals 90 percent of the federal credit allowed for the project.

(b) The recipient of a credit certificate may assign the certificate to another taxpayer before the ~~first one-fifth~~ payment is claimed, which is then allowed the credit under this section or section 297I.20, subdivision 3. An assignment is not valid unless the assignee notifies the commissioner within 30 days of the date that the assignment is made. The commissioner shall prescribe the forms necessary for notifying the commissioner of the assignment of a credit certificate and for claiming a credit by assignment.

(c) Credits passed through to partners, members, shareholders, or owners pursuant to subdivision 5 are not an assignment of a credit certificate under this subdivision.

(d) A grant agreement between the office and the recipient of a grant may allow the grant to be issued to another individual or entity.

EFFECTIVE DATE. This section is effective for property placed in service after June 30, 2022.

Sec. 21. Minnesota Statutes 2021 Supplement, section 290.0681, subdivision 10, is amended to read:

Subd. 10. **Sunset.** This section expires after fiscal year ~~2022~~ 2030, except that the office's authority to issue credit certificates under subdivision 4 based on allocation certificates that were issued before ~~fiscal year 2023~~ 2031 remains in effect through ~~2025~~ calendar year 2033, and the reporting requirements in subdivision 9 remain in effect through the year following the year in which all allocation certificates have either been canceled or resulted in issuance of credit certificates, or ~~2026~~ 2034, whichever is earlier.

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

Sec. 22. Minnesota Statutes 2021 Supplement, section 290.0682, is amended by adding a subdivision to read:

Subd. 3. **Credit refundable; appropriation.** (a) If the amount of credit which a claimant is eligible to receive under this section exceeds the claimant's tax liability under this chapter, the commissioner shall refund the excess to the claimant.

(b) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 23. Minnesota Statutes 2021 Supplement, section 290.0682, is amended by adding a subdivision to read:

Subd. 4. **Special rules for tax years 2022 to 2028.** For taxable years beginning after December 31, 2021, and before January 1, 2029, the maximum credit under subdivision 2, paragraph (b), clause (4), is $1,400.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021, and before January 1, 2029.

Sec. 24. Minnesota Statutes 2020, section 290.0685, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An eligible individual is allowed a credit against the tax imposed by this chapter equal to $2,000 for each ~~birth for which a certificate of birth resulting in stillbirth has been issued under section 144.2151~~ stillbirth. The credit under this section is allowed only in the taxable year in which the stillbirth occurred ~~and if the child would have been a dependent of the taxpayer as defined in section 152 of the Internal Revenue Code~~.

(b) For a ~~nonresident or~~ part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2015.

Sec. 25. Minnesota Statutes 2020, section 290.0685, is amended by adding a subdivision to read:

Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given, unless the context clearly indicates otherwise.

(b) "Certificate of birth" means the printed certificate of birth resulting in stillbirth issued under section 144.2151 or for a birth occurring in another state or country a similar certificate issued under that state's or country's law.

(c) "Eligible individual" means an individual who is:

(1)(i) a resident; or

(ii) the nonresident spouse of a resident who is a member of armed forces of the United States or the United Nations; and

(2)(i) the individual who gave birth resulting in stillbirth and is listed as a parent on the certificate of birth;

(ii) if no individual meets the requirements of clause (i) for a stillbirth that occurs in this state, then the first parent listed on the certificate of birth resulting in still birth; or

(iii) the individual who gave birth resulting in stillbirth for a birth outside of this state for which no certificate of birth was issued.

(d) "Stillbirth" means a birth for which a fetal death report would be required under section 144.222, subdivision 1, if the birth occurred in this state.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2015.

Sec. 26. Minnesota Statutes 2021 Supplement, section 290A.03, subdivision 3, is amended to read:

Subd. 3. **Income.** (a) "Income" means the sum of the following:

(1) federal adjusted gross income as defined in the Internal Revenue Code; and

(2) the sum of the following amounts to the extent not included in clause (1):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, Supplemental Security Income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1995;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for the claimant and spouse;

(xii) to the extent not included in federal adjusted gross income, distributions received by the claimant or spouse from a traditional or Roth style retirement account or plan;

(xiii) nontaxable scholarship or fellowship grants;

(xiv) alimony received to the extent not included in the recipient's income;

(xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue Code;

(xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue Code; and

(xvii) the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(b) "Income" does not include:

(1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

(2) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(3) to the extent included in federal adjusted gross income, amounts contributed by the claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed the retirement base amount reduced by the amount of contributions excluded from federal adjusted gross income, but not less than zero;

(4) surplus food or other relief in kind supplied by a governmental agency;

(5) relief granted under this chapter;

(6) child support payments received under a temporary or final decree of dissolution or legal separation;

(7) restitution payments received by eligible individuals and excludable interest as defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16;

(8) alimony paid; ~~or~~

(9) veterans disability compensation paid under title 38 of the United States Code; and

(10) workforce incentive grant payments under section 256.4778.

(c) The sum of the following amounts may be subtracted from income:

(1) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(2) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(3) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the claimant's fifth dependent, the exemption amount; and

(6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or before December 31 of the year for which the taxes were levied or rent paid, the exemption amount.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b), for the taxable year for which the income is reported;

(2) "retirement base amount" means the deductible amount for the taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard to whether the claimant or spouse claimed a deduction; and

(3) "traditional or Roth style retirement account or plan" means retirement plans under sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective beginning with refunds based on rent paid in 2022 and property taxes payable in 2023.

Sec. 27. **SPECIAL PROVISIONS FOR ALLOCATION CERTIFICATES ISSUED PRIOR TO EFFECTIVE DATE.**

(a) For allocation certificates issued prior to the enactment of sections 18 to 21, the director of the State Historic Preservation Office shall, in consultation with the commissioner of revenue, amend each allocation certificate for credits approved on property not placed in service prior to July 1, 2022, to state that the taxpayer or grant recipient is entitled to receive the full amount of the credit or grant at the time the project is placed in service.

(b) The changes provided in section 2 for property placed in service before July 1, 2022, do not prohibit a taxpayer or grant recipient that received an allocation certificate stating the taxpayer or grant recipient is entitled to claim the full amount of the credit in the taxable year the property is placed in service from claiming the full amount of the credit and no amendment to the taxpayer's or grant recipient's allocation certificate is required.

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

Sec. 28. **TEMPORARY INDIVIDUAL INCOME TAX SUBTRACTION; UNEMPLOYMENT INSURANCE BENEFITS.**

(a) For the purposes of this section the following terms having the meanings given:

(1) "adjusted gross income" has the meaning given in Minnesota Statutes, section 290.01, subdivision 21a;

(2) "Internal Revenue Code" has the meaning given in Minnesota Statutes, section 290.01, subdivision 31;

(3) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1;

(4) "taxable year" has the meaning given in Minnesota Statutes, section 290.01, subdivision 9; and

(5) "unemployment compensation" has the meaning given in section 85(b) of the Internal Revenue Code.

(b) For taxable years beginning after December 31, 2020, and before January 1, 2022, an individual taxpayer is allowed a subtraction equal to the amount of unemployment compensation received in the taxable year, subject to the limit in paragraphs (c) and (d).

(c) The subtraction is limited to $10,200, except for a married taxpayer filing a joint return the subtraction is limited to $10,200 in unemployment compensation received by each spouse.

(d) The limit in paragraph (c) is reduced by five percent of adjusted gross income in excess of:

(1) $150,000 for a joint return; or

(2) $75,000 for all other filers.

In no case is the limit less than $0.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020, and before January 1, 2022.

Sec. 29. **INCOME TAX REBATES FOR PARENTS OF QUALIFYING CHILDREN.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, "qualifying child" has the meaning given in section 24(c) of the Internal Revenue Code, but disregarding section 9611(a)(i)(2) of Public Law 117-2.

(b) The definitions in Minnesota Statutes, section 290.01, apply to this section.

Subd. 2. **Credit allowed.** (a) An individual income taxpayer is allowed a credit against the taxes imposed in Minnesota Statutes, sections 290.03 and 290.091. The credit equals $325 multiplied by the number of individuals who were a qualifying child of the taxpayer for the taxable year.

(b) The credit under this section is reduced by ten percent of adjusted gross income in excess of:

(1) $140,000 for a married taxpayer filing a joint return; or

(2) $70,000 for all other filers.

Subd. 3. **Part-year residents.** For an individual who was a resident of Minnesota for less than the entire taxable year, the credit equals the amount determined under subdivision 2 for their filing status, multiplied by the percentage determined pursuant to Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e).

Subd. 4. **Credit refundable; appropriation.** (a) If the amount of credit which a claimant is eligible to receive under this section exceeds the claimant's liability for tax, the commissioner shall refund the excess to the claimant.

(b) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

Subd. 5. **Distribution of credit payments; filing process for taxpayers without tax liability.** (a) To the extent feasible, the commissioner of revenue must automatically adjust the return of any taxpayer who filed a return for a taxable year in which the credit under this section applies. If a taxpayer is eligible for a refund as a result of the credit under this section, to the extent feasible, the commissioner must distribute the refund via direct deposit to the taxpayer's bank account, check, or any other mechanism the commissioner deems appropriate.

(b) The commissioner of revenue must establish a simplified filing process through which a taxpayer who does not have an individual income tax filing requirement may file a return for the taxable years in which the credit is available. The filing process and forms may be in the form or manner determined by the commissioner, but must be designed to reduce the complexity of the filing process and the time needed to file for individuals without an income tax liability for the taxable year.

Subd. 6. **Recapture of payments forbidden.** The commissioner of revenue must not apply, and must not certify to another agency to apply, a payment resulting from the credit under this section to any unpaid tax or nontax debt owed by an individual.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020, and before January 1, 2022.

Sec. 30. **REPEALER.**

Minnesota Statutes 2020, section 290.0674, subdivision 2a, is repealed.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

ARTICLE 3
SALES AND USE TAXES

Section 1. Minnesota Statutes 2020, section 38.27, subdivision 4, is amended to read:

Subd. 4. **Use of a portion of county fair revenues.** A county agricultural society must annually determine the amount of sales tax savings attributable to section 297A.70, subdivision 21~~. If the county agricultural society owns its own fairgrounds, it~~, and must use the amount equal to the sales tax savings to maintain, improve, or expand society-owned buildings and facilities on the fairgrounds~~; otherwise it must transfer this amount to the owner of the fairgrounds. An owner that receives a transfer of money under this subdivision must use the transferred amount to maintain, improve, and expand entity-owned buildings and facilities on the county fairgrounds~~.

EFFECTIVE DATE. This section is effective the day following final enactment for the most recent annual tax savings determined prior to enactment.

Sec. 2. **[240A.15] AMATEUR SPORTS ACCOUNT.**

An amateur sports account is established in the special revenue fund and consists of money deposited under section 297A.94, paragraph (k). Money in the account, including interest, is appropriated to the commission for the promotion and development of amateur sports as provided in section 240A.04. Money in the account does not cancel and is available until spent.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 297A.61, subdivision 12, is amended to read:

Subd. 12. **Farm machinery.** (a) "Farm machinery" means new or used machinery, equipment, implements, accessories, and contrivances used directly and principally in agricultural production of tangible personal property intended to be sold ultimately at retail including, but not limited to:

(1) machinery for the preparation, seeding, or cultivation of soil for growing agricultural crops;

(2) barn cleaners, milking systems, grain dryers, feeding systems including stationary feed bunks, fencing material, and similar installations, whether or not the equipment is installed by the seller and becomes part of the real property; and

(3) irrigation equipment sold for exclusively agricultural use, including pumps, pipe fittings, valves, sprinklers, and other equipment necessary to the operation of an irrigation system when sold as part of an irrigation system, whether or not the equipment is installed by the seller and becomes part of the real property.

(b) Farm machinery does not include:

(1) repair or replacement parts;

(2) tools, shop equipment, grain bins, ~~fencing material,~~ communication equipment, and other farm supplies;

(3) motor vehicles taxed under chapter 297B;

(4) snowmobiles or snow blowers;

(5) lawn mowers except those used in the production of sod for sale, or garden-type tractors or garden tillers; or

(6) machinery, equipment, implements, accessories, and contrivances used directly in the production of horses not raised for slaughter, fur-bearing animals, or research animals.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2021.

Sec. 4. Minnesota Statutes 2020, section 297A.68, subdivision 25, is amended to read:

Subd. 25. **Sale of property used in a trade or business.** (a) The sale of tangible personal property primarily used in a trade or business is exempt if the sale is not made in the normal course of business of selling that kind of property and if one of the following conditions is satisfied:

(1) the sale occurs in a transaction subject to or described in section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code, as amended through December 16, 2016;

(2) the sale is between members of a controlled group as defined in section 1563(a) of the Internal Revenue Code;

(3) the sale is between a sole member of a disregarded limited liability company and the disregarded limited liability company;

~~(3)~~ (4) the sale is a sale of farm machinery;

~~(4)~~ (5) the sale is a farm auction sale;

~~(5)~~ (6) the sale is a sale of substantially all of the assets of a trade or business; or

~~(6)~~ (7) the total amount of gross receipts from the sale of trade or business property made during the calendar month of the sale and the preceding 11 calendar months does not exceed $1,000.

The use, storage, distribution, or consumption of tangible personal property acquired as a result of a sale exempt under this subdivision is also exempt.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Disregarded limited liability company" means a limited liability company that is disregarded as an entity separate from its owner as defined in Code of Federal Regulations, title 26, section 301.7701.

~~(1)~~ (2) A "farm auction" is a public auction conducted by a licensed auctioneer if substantially all of the property sold consists of property used in the trade or business of farming and property not used primarily in a trade or business.

~~(2)~~ (3) "Trade or business" includes the assets of a separate division, branch, or identifiable segment of a trade or business if, before the sale, the income and expenses attributable to the separate division, branch, or identifiable segment could be separately ascertained from the books of account or record (the lease or rental of an identifiable segment does not qualify for the exemption).

~~(3)~~ (4) A "sale of substantially all of the assets of a trade or business" must occur as a single transaction or a series of related transactions within the 12-month period beginning on the date of the first sale of assets intended to qualify for the exemption provided in paragraph (a), clause (5).

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2022.

Sec. 5. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision to read:

Subd. 35b. **Fiber and conduit; broadband and Internet access.** Fiber and conduit purchased or leased for use directly by a broadband or Internet service provider, primarily in the provision of broadband or Internet access services that are ultimately to be sold at retail, are exempt.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2017.

Sec. 6. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision to read:

Subd. 46. **Food service establishment equipment.** (a) The purpose of the exemption provided by this subdivision is to create parity between the treatment of capital equipment used in the manufacturing industry and food service equipment used for the production of prepared food and beverages. The goal is to provide the same exemption for equipment used by food service establishments in the production of prepared food and furnishing of beverages, as is provided for capital equipment pursuant to subdivision 5.

(b) Food service equipment purchased or leased for use in this state by a food service establishment in the production of prepared food or furnishing of beverages, up to the point the prepared food or beverage is ready for delivery or service to the customer, is exempt.

(c) For purposes of this subdivision, the following terms have the meanings given:

(1) "catering service" means a business that prepares food and beverages for service in support of an event with a predetermined guest list such as a reception, party, luncheon, conference, ceremony, or trade show;

(2) "food service equipment" means machinery, equipment, fixtures, and supplies used by a food service establishment that are integral to the production of prepared food or the furnishing of beverages and that meet the standards imposed under Minnesota Rules, chapter 4626. Food service equipment:

(i) includes cooking utensils, serving utensils, ovens, grills, coolers, microwave ovens, freezers, refrigerators and refrigerator stations, holding cabinets, deep fryers, condiment stations, dishwashers, steamers, coffee machines, ice machines, water heaters, sinks, faucets, food warmers and warming trays, tabletop chaffing equipment, buffets and buffet equipment, self-service condiment equipment, self-service beverage equipment, beer dispensing systems, equipment needed for bar service, and any other item that is integral to the production of prepared food or the furnishing of beverages; and

(ii) excludes items used by customers such as linens, paper napkins, glasses, cups, mugs, utensils, tables, and chairs. Also excluded are delivery vehicles or any motor vehicles purchased by a food service establishment;

(3) "food service establishment" means a restaurant as defined in section 157.15, subdivision 12, a mobile food unit as defined in section 157.15, subdivision 9, or a catering service as defined in this paragraph;

(4) "furnishing of beverages" means the production of beverages, including alcoholic beverages, by a bartender, server, caterer, or other person employed by a food service establishment;

(5) "prepared food" has the meaning given in section 297A.61, subdivision 31; and

(6) "production" means an operation or series of operations where ingredients are changed in form, composition, or condition that results in the creation of prepared food or a beverage.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2022.

Sec. 7. Minnesota Statutes 2020, section 297A.70, subdivision 21, is amended to read:

Subd. 21. **County agricultural society sales at county fairs.** (a) The following sales by a county agricultural society ~~during a regularly scheduled county fair~~ are exempt~~. For purposes of this subdivision, sales include~~:

(1) admissions to and parking at the county fairgrounds~~,~~;

(2) admissions to separately ticketed events run by the county agricultural society~~,~~; and

(3) concessions and other sales made by employees or volunteers of the county agricultural society on the county fairgrounds.

~~This~~ (b) The exemption under paragraph (a) does not apply to sales ~~or~~ for events ~~by a county agricultural society~~ held at a time other than at the time of the regularly scheduled county fair, or events not held on the county fairgrounds.

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

Sec. 8. Minnesota Statutes 2020, section 297A.71, subdivision 51, is amended to read:

Subd. 51. **Properties destroyed by fire.** (a) Building materials and supplies used or consumed in, and equipment incorporated into, the construction or replacement of real property affected by, and capital equipment to replace equipment destroyed in, the fire on March 11, 2018, in the city of Mazeppa are exempt. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75. For purposes of this subdivision, "capital equipment" includes durable equipment used in a restaurant for food storage, preparation, and serving.

(b) The exemption under this subdivision applies to sales and purchases made after March 11, 2018, and before January 1, ~~2022~~ 2024.

EFFECTIVE DATE. This section is effective retroactively from March 11, 2018.

Sec. 9. Minnesota Statutes 2021 Supplement, section 297A.71, subdivision 52, is amended to read:

Subd. 52. **Construction; certain local government facilities.** (a) Materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of the following local government owned facilities are exempt:

(1) a new fire station, which includes firefighting, emergency management, public safety training, and other public safety facilities in the city of Monticello if materials, supplies, and equipment are purchased after January 31, 2019, and before January 1, 2022;

(2) a new fire station, which includes firefighting and public safety training facilities and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and equipment are purchased after June 30, 2018, and before January 1, 2021;

(3) a fire station and police station, including access roads, lighting, sidewalks, and utility components, on or adjacent to the property on which the fire station or police station are located that are necessary for safe access to and use of those buildings, in the city of Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and before January 1, 2022;

(4) the school building in Independent School District No. 414, Minneota, if materials, supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;

(5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment are purchased after December 31, 2018, and before January 1, 2021; ~~and~~

(6) a Dakota County law enforcement collaboration center, also known as the Safety and Mental Health Alternative Response Training (SMART) Center, if materials, supplies, and equipment are purchased after June 30, 2019, and before July 1, 2021~~.~~;

(7) new construction, upgrades, and remodeling to the Itasca County courts and courthouse in conjunction and coordination with the new construction of a correctional facility, if materials, supplies, and equipment are purchased after April 30, 2021, and before January 1, 2025;

(8) the North Metro Regional Public Safety Training Facility in Maple Grove, if materials, supplies, and equipment are purchased after August 31, 2021, and before December 31, 2023; and

(9) the following projects in Wayzata if materials, supplies, and equipment are purchased after March 31, 2020, and before January 1, 2025:

(i) expansion and remodeling of Depot Park;

(ii) construction of community docks for purposes of access from Lake Minnetonka;

(iii) construction of a lakeside boardwalk of approximately 1,500 lineal feet;

(iv) shoreline restoration, including installation of native plants, trees, and natural habitat;

(v) restoration of Section Foreman House, including installation of a learning center to provide indoor and outdoor classroom and community space;

(vi) construction of Eco Park, including shoreline restoration and marsh and water quality improvement, a pier extension of the lakeside boardwalk, and creation of eco-living classrooms;

(vii) construction of a public plaza with a restroom, 9/11 memorial, interactive water display, and gathering space;

(viii) construction of a regional multiuse trail; and

(ix) construction of railroad crossings.

(b) The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75.

(c) The total refund for the project listed in paragraph (a), clause (3), must not exceed $850,000.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made during the periods indicated in paragraph (a), clauses (7) to (9).

Sec. 10. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision to read:

Subd. 54. **Building materials; farm fencing material.** Materials and supplies used or consumed in, and equipment incorporated into, the construction or improvement of farm fencing material that is not exempt under section 297A.61, subdivision 12, are exempt.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2021.

Sec. 11. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision to read:

Subd. 55. **Construction materials purchased by contractors; exemption for certain entities.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, repair, maintenance, or improvement of buildings or facilities used principally by the following entities are exempt if the materials, supplies, and equipment are purchased after June 30, 2021, and before January 1, 2023:

(1) school districts, as defined under section 297A.70, subdivision 2, paragraph (c);

(2) local governments, as defined under section 297A.70, subdivision 2, paragraph (d);

(3) hospitals and nursing homes owned and operated by political subdivisions of the state, as described under section 297A.70, subdivision 2, paragraph (a), clause (3);

(4) county law libraries under chapter 134A and public libraries, regional public library systems, and multicounty, multitype library systems, as defined in section 134.001;

(5) nonprofit groups, as defined under section 297A.70, subdivision 4;

(6) hospitals, outpatient surgical centers, and critical access dental providers, as defined under section 297A.70, subdivision 7; and

(7) nursing homes and boarding care homes, as defined under section 297A.70, subdivision 18.

(b) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, repair, maintenance, or improvement of public infrastructure of any kind, including but not limited to roads, bridges, culverts, drinking water facilities, and wastewater facilities, purchased by a contractor, subcontractor, or builder as part of a contract with the following entities are exempt if the materials, supplies, and equipment are purchased after June 30, 2021, and before January 1, 2023:

(1) school districts, as defined under section 297A.70, subdivision 2, paragraph (c); or

(2) local governments, as defined under section 297A.70, subdivision 2, paragraph (d).

(c) The tax on purchases exempt under this subdivision must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75. Refunds for eligible purchases must not be issued after June 30, 2023.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2021, and before January 1, 2023.

Sec. 12. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision to read:

Subd. 56. **Construction materials purchased by contractors; exemption for certain projects at the Minneapolis-St. Paul International Airport.** (a) Materials and supplies used in, and equipment incorporated into, the construction, reconstruction, repair, maintenance, or improvement of public infrastructure at the Minneapolis-St. Paul International Airport purchased by a contractor or subcontractor for the following projects are exempt if purchased after June 30, 2021, and before January 1, 2023:

(1) security improvements to the rental automobile quick turnaround facility at Terminal 1;

(2) replacing air handling units at Terminal 1 and Terminal 2;

(3) improvements to the C concourse loading dock at Terminal 1;

(4) lighting upgrades to LED;

(5) restroom upgrades at Terminal 1;

(6) renovation of mechanical rooms in Terminal 1, a MAC storage facility, and a liquid deicer storage facility;

(7) a new trades storage facility;

(8) a new liquid deicer storage facility; and

(9) Terminal 1 passenger arrivals and departures replacement, rehabilitation, and operational improvements.

(b) The tax on purchases exempt under this subdivision must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75. Refunds for eligible purchases must not be made after June 30, 2023. The exemption allowed under this subdivision only applies to sales and purchases for which an exemption is not claimed under subdivision 55.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2021, and before January 1, 2023.

Sec. 13. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 1, is amended to read:

Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

(1) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;

(2) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;

(3) building materials for correctional facilities under section 297A.71, subdivision 3;

(4) building materials used in a residence for veterans with a disability exempt under section 297A.71, subdivision 11;

(5) elevators and building materials exempt under section 297A.71, subdivision 12;

(6) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;

(7) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;

(8) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;

(9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);

(10) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;

(11) materials, supplies, and equipment for construction, improvement, or expansion of a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;

(12) enterprise information technology equipment and computer software for use in a qualified data center exempt under section 297A.68, subdivision 42;

(13) materials, supplies, and equipment for qualifying capital projects under section 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

(14) items purchased for use in providing critical access dental services exempt under section 297A.70, subdivision 7, paragraph (c);

(15) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

(16) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;

(17) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52; ~~and~~

(18) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53~~.~~;

(19) building construction or reconstruction materials, supplies, and equipment exempt under section 297A.71, subdivision 55; and

(20) building construction or reconstruction materials, supplies, and equipment purchased for qualifying projects at the Minneapolis-St. Paul International Airport under section 297A.71, subdivision 56.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2021.

Sec. 14. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 2, is amended to read:

Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must be paid to the applicant. Only the following persons may apply for the refund:

(1) for subdivision 1, clauses (1), (2), and (14), the applicant must be the purchaser;

(2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

(3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits provided in United States Code, title 38, chapter 21;

(4) for subdivision 1, clause (5), the applicant must be the owner of the homestead property;

(5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

(6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a joint venture of municipal electric utilities;

(7) for subdivision 1, clauses (8), (11), (12), and (15), the owner of the qualifying business;

(8) for subdivision 1, clauses (9), (10), (13), (17), and (18), the applicant must be the governmental entity that owns or contracts for the project or facility; ~~and~~

(9) for subdivision 1, clause (16), the applicant must be the owner or developer of the building or project~~.~~;

(10) for subdivision 1, clause (19), the applicant must be the entity:

(i) listed in section 297A.71, subdivision 55, paragraph (a), that principally uses the building or facility; or

(ii) listed in section 297A.71, subdivision 55, paragraph (b), that contracts with a contractor, subcontractor, or builder for the public infrastructure project; and

(11) for subdivision 1, clause (20), the applicant must be an airport commission.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2021.

Sec. 15. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, under subdivision 1, clauses (3) to (13) or (15) to ~~(18)~~ (20), the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items unless otherwise specifically provided by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

(b) An applicant may not file more than two applications per calendar year for refunds for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2021.

Sec. 16. Minnesota Statutes 2020, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) Starting after July 1, 2017, the commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair parts in that month. For the remittances between July 1, 2017, and June 30, 2019, the monthly deposit amount is $2,628,000. For remittances in each subsequent fiscal year, the monthly deposit amount is $12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(k) Beginning in 2023, by June 30, the commissioner shall deposit revenues, including interest and penalties, derived from taxes on sales and purchases made at the National Sports Center in Blaine, in the amateur sports account in the special revenue fund.

~~(k)~~ (l) The revenues deposited under paragraphs (a) to ~~(j)~~ (k) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2022.

Sec. 17. Laws 2017, First Special Session chapter 1, article 3, section 26, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2017, and before July 1, ~~2027~~ 2030.

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

Sec. 18. **REFUNDS; FIBER AND CONDUIT.**

Notwithstanding limitations on claims for refund under Minnesota Statutes, section 289A.40, requests for refunds of purchases exempt under Minnesota Statutes, section 297A.68, subdivision 35b, made after July 1, 2017, and before July 1, 2022, must be submitted by December 31, 2022. Only the broadband or Internet service provider may apply for a refund. The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, the contractor, subcontractor, or builder must furnish to the broadband or Internet service provider a statement including the cost of the exempt items and the taxes paid on the items. An amount sufficient to pay the refunds is appropriated to the commissioner from the general fund. The provisions of Minnesota Statutes, section 297A.75, subdivision 4, apply to refunds issued under this section.

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

Sec. 19. **SPECIAL EXEMPTIONS; CONSTRUCTION SALES AND USE TAX.**

(a) The following provisions of Minnesota Statutes, section 297A.71, subdivision 55, do not apply to a special exemption:

(1) paragraph (a), limiting the exemption to purchases of materials, supplies, and equipment after June 30, 2021, and before January 1, 2023;

(2) paragraph (b), limiting the exemption to purchases of materials, supplies, and equipment after June 30, 2021, and before January 1, 2023; and

(3) paragraph (c), prohibiting refunds from being issued after June 30, 2023.

(b) Any provision of Minnesota Statutes, sections 297A.71, subdivision 55, and 297A.75, subdivisions 1, 2, and 3, inconsistent with a provision in a special exemption, do not apply to the special exemption.

(c) For purposes of this section, "special exemption" means one of the following exemptions provided in this article:

(1) the exemption for Duluth Public Schools in section 21;

(2) the exemption for Ely Public Schools in section 23;

(3) the exemption for Hibbing Public Schools in section 24;

(4) the exemption for Rock Ridge Public Schools in section 25;

(5) the exemption for Chisholm Public Schools in section 20;

(6) the exemption for Nashwauk-Keewatin Public Schools in section 22;

(7) the exemption for Northland Learning Center in section 26;

(8) the exemption for Northern Lights Academy in section 27;

(9) the exemption for Itasca County in section 9;

(10) the exemption for Maple Grove in section 9;

(11) the exemption for Wayzata in section 9; and

(12) the exemption for the public infrastructure project at the Minneapolis-St. Paul International Airport in section 12.

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

Sec. 20. **CHISHOLM PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction and renovation projects for Chisholm Elementary School, Chisholm High School, and Vaughan Steffensrud School in Independent School District No. 695, Chisholm Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2022.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2022, and applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

Sec. 21. **DULUTH PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of an administrative building and a transportation facility in Independent School District No. 709, Duluth Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after June 30, 2021, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2022.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2021, and applies to sales and purchases made after June 30, 2021, and before January 1, 2025.

Sec. 22. **NASHWAUK-KEEWATIN PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of a new school building and attached community wellness center to replace Keewatin Elementary School and the Nashwauk High School in Independent School District No. 319, Nashwauk-Keewatin Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2022.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2022, and applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

Sec. 23. **ELY PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in Independent School District No. 696, Ely Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024:

(1) renovations to the elementary school building and high school building; and

(2) construction of a building that connects the elementary school and high school buildings, containing classrooms, a common area, gymnasium, and administrative offices.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2022.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively from May 2, 2019, and applies to sales and purchases made after May 1, 2019, and before January 1, 2024.

Sec. 24. **HIBBING PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in the city of Hibbing are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2025:

(1) the addition of an Early Childhood Family Education Center to an existing elementary school; and

(2) improvements to an existing athletic facility in Independent School District No. 701, Hibbing Public Schools.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2022.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively from May 2, 2019, and applies to sales and purchases made after May 1, 2019, and before January 1, 2025.

Sec. 25. **ROCK RIDGE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of two new elementary school buildings and a new high school building in Independent School District No. 2909, Rock Ridge Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2022.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively from May 2, 2019, and applies to sales and purchases made after May 1, 2019, and before January 1, 2024.

Sec. 26. **NORTHLAND LEARNING CENTER; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the renovation and addition to the James Madison Building for Northland Learning Center, No. 6076, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2022.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2022, and applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

Sec. 27. **NORTHERN LIGHTS ACADEMY; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of a new building for special education cooperative No. 6096, Northern Lights Academy, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2022.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2022, and applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

ARTICLE 4
PROPERTY TAXES

Section 1. Minnesota Statutes 2020, section 123B.595, subdivision 3, is amended to read:

Subd. 3. **Intermediate districts and other cooperative units.** (a) Upon approval through the adoption of a resolution by each member district school board of an intermediate district or other cooperative ~~units~~ unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59, and the approval of the commissioner of education, a school district may include in its authority under this section a proportionate share of the long-term maintenance costs of the intermediate district ~~or,~~ cooperative unit, or joint powers district. The cooperative unit or joint powers district may issue bonds to finance the project costs or levy for the costs~~,~~ using long-term maintenance revenue transferred from member districts to make debt service payments or pay project costs or, for leased facilities, pay the portion of lease costs attributable to the amortized cost of long-term facilities maintenance projects completed by the landlord. Authority under this subdivision is in addition to the authority for individual district projects under subdivision 1.

(b) The resolution adopted under paragraph (a) may specify which member districts will share the project costs under this subdivision, except that debt service payments for bonds issued by a cooperative unit or joint powers district to finance long-term maintenance project costs must be the responsibility of all member districts.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 2. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) For fiscal year 2021 and later, local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals $300 times the adjusted pupil units of the district for that school year. A district's second tier local optional revenue equals $424 times the adjusted pupil units of the district for that school year.

(b) For fiscal year 2021 and later, a district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy.

(c) For fiscal years 2022 and 2023, a district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $880,000. For fiscal year 2024 and later, a district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to 170 percent of the local optional revenue equalizing factor defined in paragraph (d).

(d) A district's local optional revenue equalizing factor equals the quotient derived by dividing the referendum market value of all school districts in the state for the year before the year the levy is certified by the total number of resident pupil units in all school districts in the state in the year before the year the levy is certified.

~~(d)~~ (e) For fiscal year 2022, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $510,000. For fiscal year 2023, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $548,842. For fiscal year 2024 and later, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $510,000.

~~(e)~~ (f) The local optional levy must be spread on referendum market value. A district may levy less than the permitted amount.

~~(f)~~ (g) A district's local optional aid equals its local optional revenue minus its local optional levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 3. Minnesota Statutes 2020, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed $212 times the adjusted pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 may include in its authority under this section the costs associated with leases of administrative and classroom space for ~~intermediate school district~~ programs of the intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or joint powers district under section 471.59. This authority must not exceed $65 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. The intermediate school district, other cooperative unit, or joint powers district may specify which member districts will levy for lease costs under this paragraph.

(i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012 to 2023, a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease agreement to finance improvements to a building and land for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e). The total levy authority under this paragraph shall not exceed $632,000.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

(k) Notwithstanding paragraph (a), a district may levy under this subdivision for the district's proportionate share of deferred maintenance expenditures for a district-owned building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 for any instructional purposes or for school storage.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2024 and later.

Sec. 4. Minnesota Statutes 2020, section 272.01, subdivision 2, is amended to read:

Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) except as provided in paragraph (c), property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage ~~or,~~ repair, or manufacture of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

~~the exception from taxation provided in this clause does not apply to:~~

~~(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or~~

~~(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business;~~

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport;

(4) except as provided in paragraph (d), property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport ~~but not the airports owned or operated by the Metropolitan Airports Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt~~;

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; or

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4.

(c) The exception from taxation provided in paragraph (b), clause (2), does not apply to:

(1) property located at an airport owned or operated by:

(i) the Metropolitan Airports Commission; or

(ii) a city of over 50,000 population according to the most recent federal census or such a city's airport authority, except that, when calculating the tax imposed by this subdivision for property taxes payable in 2023 through 2030, the net tax capacity of such property is reduced by 50 percent if it is owned or operated by a city over 50,000 but under 150,000 in population according to the most recent federal census or such a city's airport authority; or

(2) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business.

(d) The exception from taxation provided in paragraph (b), clause (4), does not apply to:

(1) the property described in paragraph (b), clause (4), at airports that are owned or operated by:

(i) the Metropolitan Airports Commission; or

(ii) a city of over 50,000 population or an airport authority therein, except that, when calculating the tax imposed by this subdivision for property taxes payable in 2023 through 2030, the net tax capacity of such property is reduced by 50 percent if it is owned or operated by a city over 50,000 but under 150,000 in population according to the most recent federal census or such a city's airport authority; or

(2) real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes.

~~(c)~~ (e) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

~~(d)~~ (f) The tax on real property of the federal government, the state or any of its political subdivisions that is leased, loaned, or otherwise made available to a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2023.

Sec. 5. Minnesota Statutes 2020, section 272.02, subdivision 24, is amended to read:

Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy generating systems, as defined in section 272.0295, is exempt. If the real property upon which a solar energy generating system is located is used primarily for solar energy production subject to the production tax under section 272.0295, the real property shall be classified as class 3a. If the real property upon which a solar energy generating system is located is not used primarily for solar energy production subject to the production tax under section 272.0295, the real property shall be classified without regard to the system. If a parcel contains more than one solar energy generating system that cannot be combined with the nameplate capacity of another solar energy generating system for the purposes of the production tax under section 272.0295 but the capacity of the systems are in aggregate over one megawatt, the real property upon which the systems are located shall be classified as class 3a.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2023 and thereafter.

Sec. 6. Minnesota Statutes 2020, section 272.02, subdivision 98, is amended to read:

Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

(2) is located in a city of the first class with a population greater than 300,000 as of the 2010 federal census;

(3) was on January 2, 2012, and is for the current assessment owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(4) is used exclusively for tribal purposes or institutions of purely public charity as defined in subdivision 7.

(b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined in subdivision 8 and includes noncommercial tribal government activities. Property that qualifies for the exemption under this subdivision is limited to no more than two contiguous parcels and structures that do not exceed in the aggregate 20,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption. The exemption created by this subdivision expires with taxes payable in ~~2024~~ 2030.

(c) Property exempt under this section is exempt from the requirements of section 272.025.

EFFECTIVE DATE. This section is effective for taxes payable in 2022.

Sec. 7. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to read:

Subd. 105. **Elderly living facility.** (a) An elderly living facility is exempt from taxation if it meets all of the following requirements:

(1) the facility is located in a city of the first class with a population of fewer than 110,000;

(2) the facility is owned and operated by a nonprofit organization organized under section 501(c)(3) of the Internal Revenue Code;

(3) construction of the facility was completed between January 1, 1963, and January 1, 1964;

(4) the facility is an assisted living facility licensed by the state of Minnesota;

(5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

(6) at least 30 percent of the units in the facility are occupied by persons whose annual income does not exceed 50 percent of the median family income for the area.

(b) The exemption created by this subdivision expires with taxes payable in 2030.

EFFECTIVE DATE. This section is effective beginning with assessment year 2023 and thereafter.

Sec. 8. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to read:

Subd. 106. **Energy storage systems.** Real or personal property consisting of an energy storage system is exempt. For the purposes of this subdivision, "energy storage system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f). The land on which the property is located remains taxable and must be classified as class 3a under section 273.13, subdivision 24. The exemption created by this subdivision expires with taxes payable in 2030.

EFFECTIVE DATE. This section is effective beginning with assessment year 2022. For assessment year 2022, an exemption application under this section must be filed with the county assessor by July 1, 2022.

Sec. 9. Minnesota Statutes 2021 Supplement, section 272.0295, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the term "solar energy generating system" means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar generated energy.

(b) The total size of a solar energy generating system under this subdivision shall be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of a solar energy generating system shall be combined with the nameplate capacity of any other solar energy generating system that:

(1) is constructed within the same 12-month period as the solar energy generating system; and

(2) exhibits characteristics at the time of development of being a single development, including but not limited to ownership structure, an umbrella sales arrangement, shared interconnection, revenue-sharing arrangements, and common debt or equity financing.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system and shall draw all reasonable inferences in favor of combining the systems. In determining the total size of the system, the commissioner of commerce shall determine that a solar energy generating system with an application for an interconnection agreement submitted on or after September 25, 2015, pursuant to section 216B.1641, with the public utility subject to section 116C.779, is considered to be a solar energy generating system with a capacity of one megawatt alternating current or less and is exempt from the tax imposed by this section.

For the purposes of making a determination under this paragraph, the original construction date of an existing solar energy conversion system is not changed if the system is replaced, repaired, or otherwise maintained or altered.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two solar energy generating systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Solar energy generating systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

EFFECTIVE DATE. This section is effective for reports filed beginning in 2023.

Sec. 10. Minnesota Statutes 2021 Supplement, section 273.11, subdivision 12, is amended to read:

Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02, subdivision 6, which has received funding from the Minnesota housing finance agency for purposes of the community land trust program. The Minnesota Housing Finance Agency shall set the criteria for community land trusts.

(b) Before the community land trust can rent or sell a unit to an applicant, the community land trust shall verify to the satisfaction of the administering agency or the city that the family income of each person or family applying for a unit in the community land trust building is within the income criteria provided in section 462A.30, subdivision 9. The administering agency or the city shall verify to the satisfaction of the county assessor that the occupant meets the income criteria under section 462A.30, subdivision 9. The property tax benefits under paragraph (c) shall be granted only to property owned or rented by persons or families within the qualifying income limits. The family income criteria and verification is only necessary at the time of initial occupancy in the property.

(c) A unit which is owned by the occupant and used as a homestead by the occupant qualifies for homestead treatment as class 1a under section 273.13, subdivision 22 unless the unit meets the requirements of section 273.13, subdivision 25, paragraph (e), clause (2), in which case the unit shall be classified as 4d(2). A unit which is rented by the occupant and used as a homestead by the occupant shall be class 4a or 4b property, under section 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not used for residential purposes shall be classified by the assessor in the appropriate class based upon the use of that portion of the property owned by the community land trust. The land upon which the building is located shall be assessed at the same classification rate as the units within the building, provided that if the building contains some units assessed as class 1a or class 4d and some units assessed as class 4a or 4b, the market value of the land will be assessed in the same proportions as the value of the building.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2023 and thereafter.

Sec. 11. Minnesota Statutes 2020, section 273.124, subdivision 3a, is amended to read:

Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home park is owned by a corporation or association organized under chapter 308A or 308B, and each person who owns a share or shares in the corporation or association is entitled to occupy a lot within the park, the corporation or association may claim homestead treatment for the park. Each lot must be designated by legal description or number, and each lot is limited to not more than one-half acre of land.

(b) The manufactured home park shall be entitled to homestead treatment if all of the following criteria are met:

(1) the occupant or the cooperative corporation or association is paying the ad valorem property taxes and any special assessments levied against the land and structure either directly, or indirectly through dues to the corporation or association; and

(2) the corporation or association organized under chapter 308A or 308B is wholly owned by persons having a right to occupy a lot owned by the corporation or association.

(c) A charitable corporation, organized under the laws of Minnesota with no outstanding stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status, qualifies for homestead treatment with respect to a manufactured home park if its members hold residential participation warrants entitling them to occupy a lot in the manufactured home park.

(d) "Homestead treatment" under this subdivision means the classification rate provided for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause (5), ~~item (ii),~~ and the homestead market value exclusion under section 273.13, subdivision 35, does not apply.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2024 and thereafter.

Sec. 12. Minnesota Statutes 2020, section 273.124, subdivision 6, is amended to read:

Subd. 6. **Leasehold cooperatives.** When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, and has received public financing, homestead treatment may be claimed by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the Social Security numbers or individual tax identification numbers of those members. To qualify for the treatment provided by this subdivision, the following conditions must be met:

(a) the cooperative association must be organized under chapter 308A or 308B and all voting members of the board of directors must be resident tenants of the cooperative and must be elected by the resident tenants of the cooperative;

(b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years, which permits the cooperative association, while not in default on the lease, to participate materially in the management of the property, including material participation in establishing budgets, setting rent levels, and hiring and supervising a management agent;

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale;

(d) a minimum of 40 percent of the cooperative association's members must have incomes at or less than 60 percent of area median gross income as determined by the United States Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal Revenue Code. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership;

(e) if a limited partnership owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited partnership agreement must provide that the managing general partner have sufficient powers so that it materially participates in the management and control of the limited partnership;

(f) prior to becoming a member of a leasehold cooperative described in this subdivision, a person must have received notice that (1) describes leasehold cooperative property in plain language, including but not limited to the effects of classification under this subdivision on rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that copies of the articles of incorporation and bylaws of the cooperative association, the lease between the owner and the cooperative association, a sample sublease between the cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited partnership agreement, can be obtained upon written request at no charge from the owner, and the owner must send or deliver the materials within seven days after receiving any request;

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60 days prior to the date on which the unit became leasehold cooperative property. For purposes of the notice under this paragraph, the copies of the documents referred to in paragraph (f) may be in proposed version, provided that any subsequent material alteration of those documents made after the occupant has requested a copy shall be disclosed to any occupant who has requested a copy of the document. Copies of the articles of incorporation and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed;

(h) the county attorney of the county in which the property is located must certify to the assessor that the property meets the requirements of this subdivision;

(i) the public financing received must be from at least one of the following sources:

(1) tax increment financing proceeds used for the acquisition or rehabilitation of the building or interest rate write-downs relating to the acquisition of the building;

(2) government issued bonds exempt from taxes under section 103 of the Internal Revenue Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

(3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing Act;

(4) rental housing program funds under Section 8 of the United States Housing Act of 1937, as amended, or the market rate family graduated payment mortgage program funds administered by the Minnesota Housing Finance Agency that are used for the acquisition or rehabilitation of the building;

(5) low-income housing credit under section 42 of the Internal Revenue Code;

(6) public financing provided by a local government used for the acquisition or rehabilitation of the building, including grants or loans from (i) federal community development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued under chapter 474A; or

(7) other rental housing program funds provided by the Minnesota Housing Finance Agency for the acquisition or rehabilitation of the building;

(j) at the time of the initial request for homestead classification or of any transfer of ownership of the property, the governing body of the municipality in which the property is located must hold a public hearing and make the following findings:

(1) that the granting of the homestead treatment of the apartment's units will facilitate safe, clean, affordable housing for the cooperative members that would otherwise not be available absent the homestead designation;

(2) that the owner has presented information satisfactory to the governing body showing that the savings garnered from the homestead designation of the units will be used to reduce tenant's rents or provide a level of furnishing or maintenance not possible absent the designation; and

(3) that the requirements of paragraphs (b), (d), and (i) have been met.

Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

When dwelling units no longer qualify under this subdivision, the current owner must notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result in the loss of benefits under this subdivision for taxes payable in the year that the failure is discovered. For these purposes, "benefits under this subdivision" means the difference in the net tax capacity of the units which no longer qualify as computed under this subdivision and as computed under the otherwise applicable law, times the local tax rate applicable to the building for that taxes payable year. Upon discovery of a failure to notify, the assessor shall inform the auditor of the difference in net tax capacity for the building or buildings in which units no longer qualify, and the auditor shall calculate the benefits under this subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be demanded of the building's owner. The property owner may appeal the county's determination by serving copies of a petition for review with county officials as provided in section 278.01 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court within 60 days of the date of the notice from the county. The appeal shall be governed by the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of the benefit and penalty to the succeeding year's tax list to be collected as part of the property taxes on the affected buildings.

EFFECTIVE DATE. This section is effective retroactively for homestead applications filed in 2022 and thereafter.

Sec. 13. Minnesota Statutes 2021 Supplement, section 273.124, subdivision 13, is amended to read:

Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) The commissioner shall prescribe the content, format, and manner of the homestead application required to be filed under this chapter pursuant to section 270C.30. The application must clearly inform the taxpayer that this application must be signed by all owners who occupy the property or by the qualifying relative and returned to the county assessor in order for the property to receive homestead treatment.

(c) Every property owner applying for homestead classification must furnish to the county assessor the Social Security number or individual tax identification number of each occupant who is listed as an owner of the property on the deed of record, the name and address of each owner who does not occupy the property, and the name and Social Security number or individual tax identification number of the spouse of each occupying owner. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, or, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property qualifies as a homestead under subdivision 1, paragraph (e).

Owners or spouses occupying residences owned by their spouses and previously occupied with the other spouse, either of whom fail to include the other spouse's name and Social Security number or individual tax identification number on the homestead application or provide the affidavits or other proof requested, will be deemed to have elected to receive only partial homestead treatment of their residence. The remainder of the residence will be classified as nonhomestead residential. When an owner or spouse's name and Social Security number or individual tax identification number appear on homestead applications for two separate residences and only one application is signed, the owner or spouse will be deemed to have elected to homestead the residence for which the application was signed.

(d) If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead status, a homestead application must be filed with the assessor. The Social Security number or individual tax identification number of each relative occupying the property and the name and Social Security number or individual tax identification number of the spouse of a relative occupying the property shall be required on the homestead application filed under this subdivision. If a different relative of the owner subsequently occupies the property, the owner of the property must notify the assessor within 30 days of the change in occupancy. The Social Security number or individual tax identification number of a relative occupying the property or the spouse of a relative occupying the property is private data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding under the Revenue Recapture Act to recover personal property taxes owing, to the county treasurer.

(e) The homestead application shall also notify the property owners that if the property is granted homestead status for any assessment year, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners, the spouse of the owner, or the relatives no longer use the property as their homestead. Upon the sale or transfer of the homestead property, a certificate of value must be timely filed with the county auditor as provided under section 272.115. Failure to notify the assessor within 30 days that the property has been sold, transferred, or that the owner, the spouse of the owner, or the relative is no longer occupying the property as a homestead, shall result in the penalty provided under this subdivision and the property will lose its current homestead status.

(f) If a homestead application has not been filed with the county by December 31, the assessor shall classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner may be entitled to receive the homestead classification by proper application under section 375.192.

EFFECTIVE DATE. This section is effective retroactively for homestead applications filed in 2022 and thereafter.

Sec. 14. Minnesota Statutes 2020, section 273.124, subdivision 13a, is amended to read:

Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give the commissioner a list that includes the name and Social Security number or individual tax identification number of each occupant of homestead property who is the property owner, property owner's spouse, qualifying relative of a property owner, or a spouse of a qualifying relative. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

EFFECTIVE DATE. This section is effective retroactively for homestead applications filed in 2022 and thereafter.

Sec. 15. Minnesota Statutes 2020, section 273.124, subdivision 13c, is amended to read:

Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners. The Social Security numbers, individual tax identification numbers, and federal identification numbers that are maintained by a county or city assessor for property tax administration purposes, and that may appear on the lists retain their classification as private or nonpublic data; but may be viewed, accessed, and used by the county auditor or treasurer of the same county for the limited purpose of assisting the commissioner in the preparation of microdata samples under section 270C.12. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

EFFECTIVE DATE. This section is effective retroactively for homestead applications filed in 2022 and thereafter.

Sec. 16. Minnesota Statutes 2020, section 273.124, subdivision 13d, is amended to read:

Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each county must provide the commissioner with the following data for each parcel of homestead property by electronic means as defined in section 289A.02, subdivision 8:

(1) the property identification number assigned to the parcel for purposes of taxes payable in the current year;

(2) the name and Social Security number or individual tax identification number of each occupant of homestead property who is the property owner or qualifying relative of a property owner, and the spouse of the property owner who occupies homestead property or spouse of a qualifying relative of a property owner who occupies homestead property;

(3) the classification of the property under section 273.13 for taxes payable in the current year and in the prior year;

(4) an indication of whether the property was classified as a homestead for taxes payable in the current year because of occupancy by a relative of the owner or by a spouse of a relative;

(5) the property taxes payable as defined in section 290A.03, subdivision 13, for the current year and the prior year;

(6) the market value of improvements to the property first assessed for tax purposes for taxes payable in the current year;

(7) the assessor's estimated market value assigned to the property for taxes payable in the current year and the prior year;

(8) the taxable market value assigned to the property for taxes payable in the current year and the prior year;

(9) whether there are delinquent property taxes owing on the homestead;

(10) the unique taxing district in which the property is located; and

(11) such other information as the commissioner decides is necessary.

The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

EFFECTIVE DATE. This section is effective retroactively for homestead applications filed in 2022 and thereafter.

Sec. 17. Minnesota Statutes 2021 Supplement, section 273.124, subdivision 14, is amended to read:

Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the Department of Natural Resources on which in lieu taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than four townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this paragraph shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4). Homestead classification under this paragraph is limited to property that qualified under this paragraph for the 1998 assessment.

(b)(i) Agricultural property shall be classified as the owner's homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the agricultural property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) the owner, the owner's spouse, or a grandchild, child, sibling, ~~or~~ parent, grandparent, stepparent, stepchild, uncle, aunt, nephew, or niece of the owner or of the owner's spouse, is actively farming the agricultural property, either on the person's own behalf as an individual or on behalf of a partnership operating a family farm, family farm corporation, joint family farm venture, or limited liability company of which the person is a partner, shareholder, or member;

(3) both the owner of the agricultural property and the person who is actively farming the agricultural property under clause (2), are Minnesota residents;

(4) neither the owner nor the spouse of the owner claims another agricultural homestead in Minnesota; and

(5) neither the owner nor the person actively farming the agricultural property lives farther than four townships or cities, or a combination of four townships or cities, from the agricultural property, except that if the owner or the owner's spouse is required to live in employer-provided housing, the owner or owner's spouse, whichever is actively farming the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property.

The relationship under this paragraph may be either by blood or marriage.

(ii) Property containing the residence of an owner who owns qualified property under clause (i) shall be classified as part of the owner's agricultural homestead, if that property is also used for noncommercial storage or drying of agricultural crops.

(iii) As used in this paragraph, "agricultural property" means class 2a property and any class 2b property that is contiguous to and under the same ownership as the class 2a property.

(c) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than four townships or cities or combination thereof from the homestead. Any taxpayer of these noncontiguous lands must notify the county assessor that the noncontiguous land is part of the taxpayer's homestead, and, if the homestead is located in another county, the taxpayer must also notify the assessor of the other county.

(d) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

(e) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the April 1997 floods;

(2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or Wilkin;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1997 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(f) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(g) Agricultural property of a family farm corporation, joint family farm venture, family farm limited liability company, or partnership operating a family farm as described under subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) a shareholder, member, or partner of that entity is actively farming the agricultural property;

(3) that shareholder, member, or partner who is actively farming the agricultural property is a Minnesota resident;

(4) neither that shareholder, member, or partner, nor the spouse of that shareholder, member, or partner claims another agricultural homestead in Minnesota; and

(5) that shareholder, member, or partner does not live farther than four townships or cities, or a combination of four townships or cities, from the agricultural property.

Homestead treatment applies under this paragraph even if:

(i) the shareholder, member, or partner of that entity is actively farming the agricultural property on the shareholder's, member's, or partner's own behalf; or

(ii) the family farm is operated by a family farm corporation, joint family farm venture, partnership, or limited liability company other than the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land, provided that:

(A) the shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land who is actively farming the land is a shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that is operating the farm; and

(B) more than half of the shareholders, members, or partners of each family farm corporation, joint family farm venture, partnership, or limited liability company are persons or spouses of persons who are a qualifying relative under section 273.124, subdivision 1, paragraphs (c) and (d).

Homestead treatment applies under this paragraph for property leased to a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm if legal title to the property is in the name of an individual who is a member, shareholder, or partner in the entity.

(h) To be eligible for the special agricultural homestead under this subdivision, an initial full application must be submitted to the county assessor where the property is located. Owners and the persons who are actively farming the property shall be required to complete only a one-page abbreviated version of the application in each subsequent year provided that none of the following items have changed since the initial application:

(1) the day-to-day operation, administration, and financial risks remain the same;

(2) the owners and the persons actively farming the property continue to live within the four townships or city criteria and are Minnesota residents;

(3) the same operator of the agricultural property is listed with the Farm Service Agency;

(4) a Schedule F or equivalent income tax form was filed for the most recent year;

(5) the property's acreage is unchanged; and

(6) none of the property's acres have been enrolled in a federal or state farm program since the initial application.

The owners and any persons who are actively farming the property must include the appropriate Social Security numbers or individual tax identification numbers, and sign and date the application. If any of the specified information has changed since the full application was filed, the owner must notify the assessor, and must complete a new application to determine if the property continues to qualify for the special agricultural homestead. The commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

(i) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by the August 2007 floods;

(2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele, Wabasha, or Winona;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2007 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the August 2007 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the owner must notify the assessor by December 1, 2008. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(j) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the March 2009 floods;

(2) the property is located in the county of Marshall;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2008 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 2009 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

EFFECTIVE DATE. This section is effective retroactively for homestead applications filed in 2022 and thereafter.

Sec. 18. Minnesota Statutes 2020, section 273.1245, subdivision 1, is amended to read:

Subdivision 1. **Private or nonpublic data.** The following data are private or nonpublic data as defined in section 13.02, subdivisions 9 and 12, when they are submitted to a county or local assessor under section 273.124, 273.13, or another section, to support a claim for the property tax homestead classification under section 273.13, or other property tax classification or benefit:

(1) Social Security numbers;

(2) individual tax identification numbers;

~~(2)~~ (3) copies of state or federal income tax returns; and

~~(3)~~ (4) state or federal income tax return information, including the federal income tax schedule F.

EFFECTIVE DATE. This section is effective retroactively for homestead applications filed in 2022 and thereafter.

Sec. 19. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class 2a land under the same ownership. The market value of the house and garage and immediately surrounding one acre of land has the same classification rates as class 1a or 1b property under subdivision 22. The value of the remaining land including improvements up to the first tier valuation limit of agricultural homestead property has a classification rate of 0.5 percent of market value. The remaining property over the first tier has a classification rate of one percent of market value. For purposes of this subdivision, the "first tier valuation limit of agricultural homestead property" and "first tier" means the limit certified under section 273.11, subdivision 23.

(b) Class 2a agricultural land consists of parcels of property, or portions thereof, that are agricultural land and buildings. Class 2a property has a classification rate of one percent of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a property must also include any property that would otherwise be classified as 2b, but is interspersed with class 2a property, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement, and other similar land that is impractical for the assessor to value separately from the rest of the property or that is unlikely to be able to be sold separately from the rest of the property.

An assessor may classify the part of a parcel described in this subdivision that is used for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

(c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that are unplatted real estate, rural in character and not used for agricultural purposes, including land used for growing trees for timber, lumber, and wood and wood products, that is not improved with a structure. The presence of a minor, ancillary

nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph. Any parcel of 20 acres or more improved with a structure that is not a minor, ancillary nonresidential structure must be split-classified, and ten acres must be assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled in the sustainable forest management incentive program under chapter 290C, the number of acres assigned to the split parcel improved with a structure that is not a minor, ancillary nonresidential structure must equal three acres or the number of acres excluded from the sustainable forest incentive act covenant due to the structure, whichever is greater. Class 2b property has a classification rate of one percent of market value unless it is part of an agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

(d) Class 2c managed forest land consists of no less than 20 and no more than 1,920 acres statewide per taxpayer that is being managed under a forest management plan that meets the requirements of chapter 290C, but is not enrolled in the sustainable forest resource management incentive program. It has a classification rate of .65 percent, provided that the owner of the property must apply to the assessor in order for the property to initially qualify for the reduced rate and provide the information required by the assessor to verify that the property qualifies for the reduced rate. If the assessor receives the application and information before May 1 in an assessment year, the property qualifies beginning with that assessment year. If the assessor receives the application and information after April 30 in an assessment year, the property may not qualify until the next assessment year. The commissioner of natural resources must concur that the land is qualified. The commissioner of natural resources shall annually provide county assessors verification information on a timely basis. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph.

(e) Agricultural land as used in this section means:

(1) contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes; or

(2) contiguous acreage used during the preceding year for an intensive livestock or poultry confinement operation, provided that land used only for pasturing or grazing does not qualify under this clause.

"Agricultural purposes" as used in this section means the raising, cultivation, drying, or storage of agricultural products for sale, or the storage of machinery or equipment used in support of agricultural production by the same farm entity. For a property to be classified as agricultural based only on the drying or storage of agricultural products, the products being dried or stored must have been produced by the same farm entity as the entity operating the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local conservation program or the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar state or federal conservation program if the property was classified as agricultural (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use of land, not to exceed three acres, to provide environmental benefits such as buffer strips, old growth forest restoration or retention, or retention ponds to prevent soil erosion. For purposes of this section, a "local conservation program" means a program administered by a town, statutory or home rule charter city, or county, including a watershed district, water management organization, or soil and water conservation district, in which landowners voluntarily enroll land and receive incentive payments equal to at least $50 per acre in exchange for use or other restrictions placed on the land. In order for property to qualify under the local conservation program provision, a taxpayer must apply to the assessor by February 1 of the assessment year and must submit the information required by the assessor, including but not limited to a copy of the program requirements, the specific agreement between the land owner and the local agency, if applicable, and a map of the conservation area. Agricultural classification shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

"Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion of, a set of contiguous tax parcels under that section that are owned by the same person.

(f) Agricultural land under this section also includes:

(1) contiguous acreage that is less than ten acres in size and exclusively used in the preceding year for raising or cultivating agricultural products; or

(2) contiguous acreage that contains a residence and is less than 11 acres in size, if the contiguous acreage exclusive of the house, garage, and surrounding one acre of land was used in the preceding year for one or more of the following three uses:

(i) for an intensive grain drying or storage operation, or for intensive machinery or equipment storage activities used to support agricultural activities on other parcels of property operated by the same farming entity;

(ii) as a nursery, provided that only those acres used intensively to produce nursery stock are considered agricultural land; or

(iii) for intensive market farming; for purposes of this paragraph, "market farming" means the cultivation of one or more fruits or vegetables or production of animal or other agricultural products for sale to local markets by the farmer or an organization with which the farmer is affiliated.

"Contiguous acreage," for purposes of this paragraph, means all of a tax parcel as described in section 272.193, or all of a set of contiguous tax parcels under that section that are owned by the same person.

(g) Land shall be classified as agricultural even if all or a portion of the agricultural use of that property is the leasing to, or use by another person for agricultural purposes.

Classification under this subdivision is not determinative for qualifying under section 273.111.

(h) The property classification under this section supersedes, for property tax purposes only, any locally administered agricultural policies or land use restrictions that define minimum or maximum farm acreage.

(i) The term "agricultural products" as used in this subdivision includes production for sale of:

(1) livestock~~,~~; dairy animals~~,~~; dairy products~~,~~; poultry and poultry products~~,~~; fur-bearing animals~~,~~; horticultural and nursery stock~~,~~; fruit of all kinds~~,~~; vegetables~~,~~; forage~~,~~; grains~~,~~; hemp; bees~~,~~; and apiary products by the owner;

(2) aquacultural products for sale and consumption, as defined under section 17.47, if the aquaculture occurs on land zoned for agricultural use;

(3) the commercial boarding of horses, which may include related horse training and riding instruction, if the boarding is done on property that is also used for raising pasture to graze horses or raising or cultivating other agricultural products as defined in clause (1);

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised (i) on a game farm licensed under section 97A.105, provided that the annual licensing report to the Department of Natural Resources, which must be submitted annually by March 30 to the assessor, indicates that at least 500 birds were raised or used for breeding stock on the property during the preceding year and that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals;

(7) trees, grown for sale as a crop, including short rotation woody crops, and not sold for timber, lumber, wood, or wood products; and

(8) maple syrup taken from trees grown by a person licensed by the Minnesota Department of Agriculture under chapter 28A as a food processor.

(j) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3), the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

(k) The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(l) Class 2d airport landing area consists of a landing area or public access area of a privately owned public use airport. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under this paragraph must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of this paragraph. For purposes of this paragraph, "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

(m) Class 2e consists of land with a commercial aggregate deposit that is not actively being mined and is not otherwise classified as class 2a or 2b, provided that the land is not located in a county that has elected to opt-out of the aggregate preservation program as provided in section 273.1115, subdivision 6. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, the property must be at least ten contiguous acres in size and the owner of the property must record with the county recorder of the county in which the property is located an affidavit containing:

(1) a legal description of the property;

(2) a disclosure that the property contains a commercial aggregate deposit that is not actively being mined but is present on the entire parcel enrolled;

(3) documentation that the conditional use under the county or local zoning ordinance of this property is for mining; and

(4) documentation that a permit has been issued by the local unit of government or the mining activity is allowed under local ordinance. The disclosure must include a statement from a registered professional geologist, engineer, or soil scientist delineating the deposit and certifying that it is a commercial aggregate deposit.

For purposes of this section and section 273.1115, "commercial aggregate deposit" means a deposit that will yield crushed stone or sand and gravel that is suitable for use as a construction aggregate; and "actively mined" means the removal of top soil and overburden in preparation for excavation or excavation of a commercial deposit.

(n) When any portion of the property under this subdivision or subdivision 22 begins to be actively mined, the owner must file a supplemental affidavit within 60 days from the day any aggregate is removed stating the number of acres of the property that is actively being mined. The acres actively being mined must be (1) valued and classified under subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate resource preservation property tax program under section 273.1115, if the land was enrolled in that program. Copies of the original affidavit and all supplemental affidavits must be filed with the county assessor, the local zoning administrator, and the Department of Natural Resources, Division of Land and Minerals. A supplemental affidavit must be filed each time a subsequent portion of the property is actively mined, provided that the minimum acreage change is five acres, even if the actual mining activity constitutes less than five acres.

(o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

EFFECTIVE DATE. This section is effective beginning with assessment year 2023 and thereafter.

Sec. 20. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 25, is amended to read:

Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. The market value of class 4a property has a classification rate of 1.25 percent.

(b) Class 4b includes:

(1) residential real estate containing less than four units, including property rented as a short-term rental property for more than 14 days in the preceding year, that does not qualify as class 4bb, other than seasonal residential recreational property;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b) containing two or three units; and

(4) unimproved property that is classified residential as determined under subdivision 33.

For the purposes of this paragraph, "short-term rental property" means nonhomestead residential real estate rented for periods of less than 30 consecutive days.

The market value of class 4b property has a classification rate of 1.25 percent.

(c) Class 4bb includes:

(1) nonhomestead residential real estate containing one unit, other than seasonal residential recreational property;

(2) a single family dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b); and

(3) a condominium-type storage unit having an individual property identification number that is not used for a commercial purpose.

Class 4bb property has the same classification rates as class 1a property under subdivision 22.

Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner does not qualify for class 4bb.

(d) Class 4c property includes:

(1) except as provided in subdivision 22, paragraph (c), real and personal property devoted to commercial temporary and seasonal residential occupancy for recreation purposes, for not more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. Class 4c property under this clause must contain three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site equipped with water and electrical hookups for recreational vehicles. A camping pad offered for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c under this clause regardless of the term of the rental agreement, as long as the use of the camping pad does not exceed 250 days. In order for a property to be classified under this clause, either (i) the business located on the property must provide recreational activities, at least 40 percent of the annual gross lodging receipts related to the property must be from business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid bookings by lodging guests during the year must be for periods of at least two consecutive nights; or (B) at least 20 percent of the annual gross receipts must be from charges for providing recreational activities, or (ii) the business must contain 20 or fewer rental units, and must be located in a township or a city with a population of 2,500 or less located outside the metropolitan area, as defined under section 473.121, subdivision 2,

that contains a portion of a state trail administered by the Department of Natural Resources. For purposes of item (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c property also includes commercial use real property used exclusively for recreational purposes in conjunction with other class 4c property classified under this clause and devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. In order for a property to qualify for classification under this clause, the owner must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located must be designated class 4c under this clause as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The owner of property desiring designation as class 4c property under this clause must provide guest registers or other records demonstrating that the units for which class 4c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes does not qualify for class 4c. For the purposes of this paragraph, "recreational activities" means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment; providing marina services, launch services, or guide services; or selling bait and fishing tackle;

(2) qualified property used as a golf course if:

(i) it is open to the public on a daily fee basis. It may charge membership fees or dues, but a membership fee may not be required in order to use the property for golfing, and its green fees for golfing must be comparable to green fees typically charged by municipal courses; and

(ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with the golf course is classified as class 3a property;

(3) real property up to a maximum of three acres of land owned and used by a nonprofit community service oriented organization and not used for residential purposes on either a temporary or permanent basis, provided that:

(i) the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment; or

(ii) the organization makes annual charitable contributions and donations at least equal to the property's previous year's property taxes and the property is allowed to be used for public and community meetings or events for no charge, as appropriate to the size of the facility.

For purposes of this clause:

(A) "charitable contributions and donations" has the same meaning as lawful gambling purposes under section 349.12, subdivision 25, excluding those purposes relating to the payment of taxes, assessments, fees, auditing costs, and utility payments;

(B) "property taxes" excludes the state general tax;

(C) a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal Revenue Code; and

(D) "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises.

Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity.

The organization shall maintain records of its charitable contributions and donations and of public meetings and events held on the property and make them available upon request any time to the assessor to ensure eligibility. An organization meeting the requirement under item (ii) must file an application by May 1 with the assessor for eligibility for the current year's assessment. The commissioner shall prescribe a uniform application form and instructions;

(4) postsecondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus;

(5) ~~(i)~~ manufactured home parks as defined in section 327.14, subdivision 3, ~~excluding~~ including manufactured home parks ~~described in items (ii) and (iii), (ii) manufactured home parks as defined in section 327.14, subdivision 3,~~ that are described in section 273.124, subdivision 3a~~, and (iii) class I manufactured home parks as defined in section 327C.01, subdivision 13~~;

(6) real property that is actively and exclusively devoted to indoor fitness, health, social, recreational, and related uses, is owned and operated by a not-for-profit corporation, and is located within the metropolitan area as defined in section 473.121, subdivision 2;

(7) a leased or privately owned noncommercial aircraft storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land is on an airport owned or operated by a city, town, county, Metropolitan Airports Commission, or group thereof; and

(ii) the land lease, or any ordinance or signed agreement restricting the use of the leased premise, prohibits commercial activity performed at the hangar.

If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be filed by the new owner with the assessor of the county where the property is located within 60 days of the sale;

(8) a privately owned noncommercial aircraft storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land abuts a public airport; and

(ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement restricting the use of the premises, prohibiting commercial use or activity performed at the hangar; and

(9) residential real estate, a portion of which is used by the owner for homestead purposes, and that is also a place of lodging, if all of the following criteria are met:

(i) rooms are provided for rent to transient guests that generally stay for periods of 14 or fewer days;

(ii) meals are provided to persons who rent rooms, the cost of which is incorporated in the basic room rate;

(iii) meals are not provided to the general public except for special events on fewer than seven days in the calendar year preceding the year of the assessment; and

(iv) the owner is the operator of the property.

The market value subject to the 4c classification under this clause is limited to five rental units. Any rental units on the property in excess of five, must be valued and assessed as class 3a. The portion of the property used for purposes of a homestead by the owner must be classified as class 1a property under subdivision 22;

(10) real property up to a maximum of three acres and operated as a restaurant as defined under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to commercial purposes for not more than 250 consecutive days, or receives at least 60 percent of its annual gross receipts from business conducted during four consecutive months. Gross receipts from the sale of alcoholic beverages must be included in determining the property's qualification under item (ii). The property's primary business must be as a restaurant and not as a bar. Gross receipts from gift shop sales located on the premises must be excluded. Owners of real property desiring 4c classification under this clause must submit an annual declaration to the assessor by February 1 of the current assessment year, based on the property's relevant information for the preceding assessment year;

(11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public and devoted to recreational use for marina services. The marina owner must annually provide evidence to the assessor that it provides services, including lake or river access to the public by means of an access ramp or other facility that is either located on the property of the marina or at a publicly owned site that abuts the property of the marina. No more than 800 feet of lakeshore may be included in this classification. Buildings used in conjunction with a marina for marina services, including but not limited to buildings used to provide food and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified as class 3a property; and

(12) real and personal property devoted to noncommercial temporary and seasonal residential occupancy for recreation purposes.

Class 4c property has a classification rate of 1.5 percent of market value, except that (i) each parcel of noncommercial seasonal residential recreational property under clause (12) has the same classification rates as class 4bb property, (ii) manufactured home parks assessed under clause (5)~~, item (i), have the same classification rate as class 4b property, the market value of manufactured home parks assessed under clause (5), item (ii), have a classification rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by shareholders in the cooperative corporation or association and a classification rate of one percent if 50 percent or less of the lots are so occupied, and class I manufactured home parks as defined in section 327C.01, subdivision 13,~~ have a classification rate of ~~1.0~~ 0.75 percent, (iii) commercial-use seasonal residential recreational property and marina recreational land as described in clause (11), has a classification rate of one percent for the first $500,000 of market value, and 1.25 percent for the remaining market value, (iv) the market value of property described in clause (4) has a classification

rate of one percent, (v) the market value of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent, (vi) that portion of the market value of property in clause (9) qualifying for class 4c property has a classification rate of 1.25 percent, and (vii) property qualifying for classification under clause (3) that is owned or operated by a congressionally chartered veterans organization has a classification rate of one percent. The commissioner of veterans affairs must provide a list of congressionally chartered veterans organizations to the commissioner of revenue by June 30, 2017, and by January 1, 2018, and each year thereafter.

(e) Class 4d property ~~is~~ includes:

(1) qualifying low-income rental housing certified to the assessor by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of the units in the building qualify as low-income rental housing units as certified under section 273.128, subdivision 3, only the proportion of qualifying units to the total number of units in the building qualify for class ~~4d~~ 4d(1). The remaining portion of the building shall be classified by the assessor based upon its use. Class ~~4d~~ 4d(1) also includes the same proportion of land as the qualifying low-income rental housing units are to the total units in the building. For all properties qualifying as class ~~4d~~ 4d(1), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents~~.~~; and

(2) a unit that is owned by the occupant and used as a homestead by the occupant, and otherwise meets all the requirements for community land trust property under section 273.11, subdivision 12, provided that by December 31 of each assessment year, the community land trust certifies to the assessor that (i) the community land trust owns the real property on which the unit is located, and (ii) the unit owner is a member in good standing of the community land trust. For all units qualifying as class 4d(2), the market value determined by the assessor must be based on the normal approach to value without regard to any restrictions that apply because the unit is a community land trust property.

(f) The first tier of market value of class ~~4d~~ 4d(1) property has a classification rate of 0.75 percent. The remaining value of class ~~4d~~ 4d(1) property has a classification rate of 0.25 percent. For the purposes of this paragraph, the "first tier of market value of class ~~4d~~ 4d(1) property" means the market value of each housing unit up to the first tier limit. For the purposes of this paragraph, all class 4d property value must be assigned to individual housing units. The first tier limit is $100,000 for assessment years 2022 and 2023. For subsequent assessment years, the limit is adjusted each year by the average statewide change in estimated market value of property classified as class 4a and ~~4d~~ 4d(1) under this section for the previous assessment year, excluding valuation change due to new construction, rounded to the nearest $1,000, provided, however, that the limit may never be less than $100,000. Beginning with assessment year 2015, the commissioner of revenue must certify the limit for each assessment year by November 1 of the previous year. Class 4d(2) property has a classification rate of 0.75 percent.

EFFECTIVE DATE. (a) The amendments to paragraph (d) are effective for property taxes payable in 2024 and thereafter.

(b) The amendments to paragraphs (e) and (f) are effective for property taxes payable in 2023 and thereafter.

Sec. 21. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 34, is amended to read:

Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a portion of the market value of property owned by a veteran and serving as the veteran's homestead under this section is excluded in determining the property's taxable market value if the veteran has a service-connected disability of 70 percent or more as certified by the United States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the veteran must have been honorably discharged from the United States armed forces, as indicated by United States Government Form DD214 or other official military discharge papers.

(b)(1) For a disability rating of 70 percent or more, $150,000 of market value is excluded, except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, $300,000 of market value is excluded.

(c) If a veteran with a disability qualifying for a valuation exclusion under paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exclusion shall carry over to the benefit of the veteran's spouse until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n). Qualification under this paragraph requires an application under paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's marital status, ownership of the property, or use of the property as a permanent residence. If a spouse previously received the exclusion under this paragraph, but the exclusion expired prior to assessment year 2019 before the eligibility time period for surviving spouses was changed to a lifetime benefit, the spouse may reapply under paragraph (h) for the exclusion under this paragraph.

(d) If the spouse of a member of any branch or unit of the United States armed forces who dies due to a service-connected cause while serving honorably in active service, as indicated on United States Government Form DD1300 or DD2064, holds the legal or beneficial title to a homestead and permanently resides there, the spouse is entitled to the benefit described in paragraph (b), clause (2), until such time as the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n). If a spouse previously received the exclusion under this paragraph, but the exclusion expired prior to assessment year 2019 before the eligibility time period for surviving spouses was changed to a lifetime benefit, the spouse may reapply under paragraph (h) for the exclusion under this paragraph.

(e) If a veteran meets the disability criteria of paragraph (a) but does not own property classified as homestead in the state of Minnesota, then the homestead of the veteran's primary family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify for under paragraph (b).

(f) In the case of an agricultural homestead, only the portion of the property consisting of the house and garage and immediately surrounding one acre of land qualifies for the valuation exclusion under this subdivision.

(g) A property qualifying for a valuation exclusion under this subdivision is not eligible for the market value exclusion under subdivision 35, or classification under subdivision 22, paragraph (b).

(h) To qualify for a valuation exclusion under this subdivision a property owner must apply to the assessor by December 31 of the first assessment year for which the exclusion is sought. Except as provided in paragraph (c), the owner of a property that has been accepted for a valuation exclusion must notify the assessor if there is a change in ownership of the property or in the use of the property as a homestead.

(i) A first-time application by a qualifying spouse for the market value exclusion under paragraph (d) must be made any time within two years of the death of the service member, within two years of the United States Department of Veterans Affairs Dependency and Indemnity Compensation determination, or by December 31, 2023, whichever is later. A qualifying spouse whose application was previously denied may reapply, pursuant to this paragraph, by December 31, 2023.

(j) For purposes of this subdivision:

(1) "active service" has the meaning given in section 190.05;

(2) "own" means that the person's name is present as an owner on the property deed;

(3) "primary family caregiver" means a person who is approved by the secretary of the United States Department of Veterans Affairs for assistance as the primary provider of personal care services for an eligible veteran under the Program of Comprehensive Assistance for Family Caregivers, codified as United States Code, title 38, section 1720G; and

(4) "veteran" has the meaning given the term in section 197.447.

(k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

(1) the spouse files a first-time application within two years of the death of the service member, within two years of the United States Department of Veterans Affairs Dependency and Indemnity Compensation determination, if applicable, or by ~~June 1, 2019~~ December 31, 2023, whichever is later. A spouse whose application was previously denied may reapply, pursuant to this paragraph, by December 31, 2023;

(2) upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides there;

(3) the veteran met the honorable discharge requirements of paragraph (a); and

(4) the United States Department of Veterans Affairs certifies that:

(i) the veteran met the total (100 percent) and permanent disability requirement under paragraph (b), clause (2); or

(ii) the spouse has been awarded dependency and indemnity compensation.

(l) The purpose of this provision of law providing a level of homestead property tax relief for veterans with a disability, their primary family caregivers, and their surviving spouses is to help ease the burdens of war for those among our state's citizens who bear those burdens most heavily.

(m) By ~~July 1~~ December 31, the county veterans service officer must certify the disability rating and permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

(n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds the legal or beneficial title to the property may continue to receive the exclusion for a property other than the property for which the exclusion was initially granted until the spouse remarries or sells, transfers, or otherwise disposes of the property, provided that:

(1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed under this paragraph;

(2) the spouse holds the legal or beneficial title to the property for which the continuation of the exclusion is sought under this paragraph, and permanently resides there;

(3) the estimated market value of the property for which the exclusion is sought under this paragraph is less than or equal to the estimated market value of the property that first received the exclusion, based on the value of each property on the date of the sale of the property that first received the exclusion; and

(4) the spouse has not previously received the benefit under this paragraph for a property other than the property for which the exclusion is sought.

EFFECTIVE DATE. This section is effective for assessment year 2022 and thereafter.

Sec. 22. Minnesota Statutes 2020, section 273.13, subdivision 35, is amended to read:

Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's net tax capacity under this section, property classified as class 1a or 1b under subdivision 22, and the portion of property classified as class 2a under subdivision 23 consisting of the house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion as determined under paragraph (b).

(b) For a homestead valued at ~~$76,000~~ $80,300 or less, the exclusion is 40 percent of market value. For a homestead valued ~~between $76,000~~ over $80,300 and ~~$413,800~~ less than $437,100, the exclusion is ~~$30,400~~ $32,120 minus nine percent of the valuation over ~~$76,000~~ $80,300. For a homestead valued at ~~$413,800~~ $437,100 or more, there is no valuation exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than zero.

(c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior to determining the amount of the valuation exclusion under this subdivision.

(d) In the case of a property that is classified as part homestead and part nonhomestead, (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the exclusion amount shall be initially computed as if that nonhomestead portion were also in the homestead class and then prorated to the owner-occupant's percentage of ownership. For the purpose of this section, when an owner-occupant's spouse does not occupy the property, the percentage of ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

EFFECTIVE DATE. This section is effective for assessment year 2023 and thereafter.

Sec. 23. Minnesota Statutes 2020, section 273.1315, subdivision 2, is amended to read:

Subd. 2. **Class 1b homestead declaration 2009 and thereafter.** (a) Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), after October 1, 2008, shall file with the county assessor a class 1b homestead declaration, on a form prescribed by the commissioner of revenue. The declaration must contain the following information:

(1) the information necessary to verify that, on or before June 30 of the filing year, the property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), for class 1b classification; and

(2) any additional information prescribed by the commissioner.

(b) The declaration must be filed on or before October 1 to be effective for property taxes payable during the succeeding calendar year. The Social Security numbers, individual tax identification numbers, and income and medical information received from the property owner pursuant to this subdivision are private data on individuals as defined in section 13.02. If approved by the assessor, the declaration remains in effect until the property no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the assessor within 30 days that the property no longer qualifies under that paragraph because of a sale, change in occupancy, or change in the status or condition of an occupant shall result in the penalty provided in section 273.124, subdivision 13b, computed on the basis of the class 1b benefits for the property, and the property shall lose its current class 1b classification.

EFFECTIVE DATE. This section is effective retroactively for homestead applications filed in 2022 and thereafter.

Sec. 24. Minnesota Statutes 2020, section 273.1387, subdivision 2, is amended to read:

Subd. 2. **Credit amount.** For each qualifying property, the school building bond agricultural credit is equal to the credit percent multiplied by the property's eligible net tax capacity multiplied by the school debt tax rate determined under section 275.08, subdivision 1b. For property taxes payable prior to 2020, the credit percent is equal to 40 percent. For property taxes payable in 2020, the credit percent is equal to 50 percent. For property taxes payable in 2021, the credit percent is equal to 55 percent. For property taxes payable in 2022, the credit percent is equal to 60 percent. For property taxes payable in 2023 ~~and thereafter~~, the credit percent is equal to 70 percent. For property taxes payable in 2024 and thereafter, the credit percent is equal to 85 percent.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2024.

Sec. 25. Minnesota Statutes 2020, section 273.41, is amended to read:

273.41 AMOUNT OF TAX; DISTRIBUTION.

There is hereby imposed upon each such cooperative association on December 31 of each year a tax of $10 for each 100 members, or fraction thereof, of such association. The tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon distribution lines and the attachments and appurtenances thereto of such associations located in rural areas. For purposes of this section, "attachments and appurtenances" include all cooperative association-owned metering equipment, streetlights, and any other infrastructure that is physically or electrically connected to the cooperative association's distribution system. The tax shall be payable on or before March 1 of the next succeeding year, to the commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein specified for the payment thereof, there shall be added thereto a specific penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270C.40 from the time such tax should have been paid until paid. The commissioner shall deposit the amount so received in the general fund of the state treasury.

EFFECTIVE DATE. This section is effective beginning with assessment year 2023.

Sec. 26. Minnesota Statutes 2020, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The rate is subject to change on January 1 of each year.

(b) If a person is the owner of one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable at twice the rate determined under paragraph (a) for the year.

(c) A county board, by resolution, may establish an interest rate lower than the interest rate determined under paragraph (a).

EFFECTIVE DATE. This section is effective for property taxes, penalties, and costs determined to be delinquent on or after January 1, 2023.

Sec. 27. Minnesota Statutes 2020, section 282.261, subdivision 2, is amended to read:

Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance on any repurchase contract approved by the county board is subject to interest at the rate determined in section 279.03, subdivision 1a. The interest rate is subject to change each year on the unpaid balance in the manner provided for rate changes in section 279.03, subdivision 1a.

(b) A county board, by resolution, or a county auditor, if delegated the responsibility to administer tax-forfeited land assigned to the county board as provided under section 282.135, may establish an interest rate lower than the interest rate determined under paragraph (a).

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 28. Minnesota Statutes 2020, section 290A.03, subdivision 6, is amended to read:

Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 22, ~~except for~~ or 273.13, subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to the house and garage and immediately surrounding one acre of land. The homestead may be owned or rented and may be a part of a multidwelling or multipurpose building and the land on which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed as personal property may be a dwelling for purposes of this subdivision.

EFFECTIVE DATE. This section is effective for refund claims based on taxes payable in 2023 and thereafter.

Sec. 29. Minnesota Statutes 2020, section 290B.03, subdivision 1, is amended to read:

Subdivision 1. **Program qualifications.** The qualifications for the senior citizens' property tax deferral program are as follows:

(1) the property must be owned and occupied as a homestead by a person 65 years of age or older. In the case of a married couple, at least one of the spouses must be at least 65 years old at the time the first property tax deferral is granted, regardless of whether the property is titled in the name of one spouse or both spouses, or titled in another way that permits the property to have homestead status, and the other spouse must be at least 62 years of age;

(2) the total household income of the qualifying homeowners, as defined in section 290A.03, subdivision 5, for the calendar year preceding the year of the initial application may not exceed ~~$60,000~~ $96,000;

(3) the homestead must have been owned and occupied as the homestead of at least one of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application is filed;

(4) there are no state or federal tax liens or judgment liens on the homesteaded property;

(5) there are no mortgages or other liens on the property that secure future advances, except for those subject to credit limits that result in compliance with clause (6); and

(6) the total unpaid balances of debts secured by mortgages and other liens on the property, including unpaid and delinquent special assessments and interest and any delinquent property taxes, penalties, and interest, but not including property taxes payable during the year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

EFFECTIVE DATE. This section is effective for applications for deferral of taxes payable in 2023 and thereafter.

Sec. 30. Minnesota Statutes 2020, section 290B.04, subdivision 3, is amended to read:

Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application has been approved under subdivision 2 shall notify the commissioner of revenue in writing by July 1 if the taxpayer's household income for the preceding calendar year exceeded ~~$60,000~~ $96,000. The certification must state the homeowner's total household income for the previous calendar year. No property taxes may be deferred under this chapter in any year following the year in which a program participant filed or should have filed an excess-income certification under this subdivision, unless the participant has filed a resumption of eligibility certification as described in subdivision 4.

EFFECTIVE DATE. This section is effective for applications for deferral of taxes payable in 2023 and thereafter.

Sec. 31. Minnesota Statutes 2020, section 290B.04, subdivision 4, is amended to read:

Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has previously filed an excess-income certification under subdivision 3 may resume program participation if the taxpayer's household income for a subsequent year is ~~$60,000~~ $96,000 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify the commissioner of revenue in writing by July 1 of the year following a calendar year in which the taxpayer's household income is ~~$60,000~~ $96,000 or less. The certification must state the taxpayer's total household income for the previous calendar year. Once a taxpayer resumes participation in the program under this subdivision, participation will continue until the taxpayer files a subsequent excess-income certification under subdivision 3 or until participation is terminated under section 290B.08, subdivision 1.

EFFECTIVE DATE. This section is effective for applications for deferral of taxes payable in 2023 and thereafter.

Sec. 32. Minnesota Statutes 2020, section 290B.05, subdivision 1, is amended to read:

Subdivision 1. **Determination by commissioner.** The commissioner shall determine each qualifying homeowner's "annual maximum property tax amount" following approval of the homeowner's initial application and following the receipt of a resumption of eligibility certification. The "annual maximum property tax amount" equals three percent of the homeowner's total household income for the year preceding either the initial application or the resumption of eligibility certification, whichever is applicable. Following approval of the initial application, the commissioner shall determine the qualifying homeowner's "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment year for any homeowner whose total household income for the previous year exceeds ~~$60,000~~ $96,000. No tax shall be deferred in any year in which the homeowner does not meet the program qualifications in section 290B.03. The maximum allowable total deferral is equal to 75 percent of the assessor's estimated market value for the year, less the balance of any mortgage loans and other amounts secured by liens against the property at the time of application, including any unpaid and delinquent special assessments and interest and any delinquent property taxes, penalties, and interest, but not including property taxes payable during the year.

EFFECTIVE DATE. This section is effective for applications for deferral of taxes payable in 2023 and thereafter.

Sec. 33. **CHILD PROTECTION COST STUDY.**

(a) The legislative auditor is requested to conduct a special review of the costs to Minnesota counties for the provision of child protective services. The review would need to include:

(1) an overview of the roles and responsibilities of counties in Minnesota's child protective services system and a comparison of these roles and responsibilities to those in other states;

(2) from 2013 through 2022, the amount each county spent on duties related to child protective services;

(3) from 2013 through 2022, the amount of federal and state funds received by each county for duties related to child protective services; and

(4) from 2013 through 2022, the amount each county paid for child protective services using property tax revenue.

(b) The legislative auditor would need to complete the review by August 1, 2023, and report the results of the review to the chairs and ranking minority members of the legislative committees with jurisdiction over property taxation.

Sec. 34. **APPROPRIATION.**

$..... in fiscal year 2023 is appropriated from the general fund to the Office of the Legislative Auditor for the purposes of conducting the review required by section 33. This is a onetime appropriation.

Sec. 35. **REPEALER.**

Minnesota Statutes 2020, sections 327C.01, subdivision 13; and 327C.16, are repealed.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2024 and thereafter.

ARTICLE 5
STATE AIDS

Section 1. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision to read:

Subd. 3b. **Population age 65 and over.** "Population age 65 and over" means the population age 65 and over established as of July 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. A revision to an estimate or count is effective for these purposes only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 2. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision to read:

Subd. 3c. **Transformed population.** "Transformed population" means the logarithm to the base 10 of the population.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 3. Minnesota Statutes 2020, section 477A.011, subdivision 34, is amended to read:

Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.559 times the pre-1940 housing percentage; plus (2) ~~0.622 times the percent of housing built between 1940 and 1970~~ 7.629 times the city age index; plus (3) ~~169.415 times the jobs per capita~~ 5.461 times the commercial industrial utility percentage; plus (4) ~~the sparsity adjustment~~ 8.481 times peak population decline; plus (5) ~~307.664~~ 297.789.

(b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city revenue need" is 1.15 times the sum of (1) ~~572.62~~ 502.094; plus (2) ~~5.026~~ 4.285 times the pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768 times household size~~ 6.699 times the commercial industrial utility percentage; plus (4) ~~14.022~~ 17.645 times peak population decline~~; plus (5) the sparsity adjustment~~.

(c) For a city with a population less than 2,500, "city revenue need" is the sum of (1) ~~410~~ 79.351; plus (2) ~~0.367~~ 246.428 times the city's transformed population ~~over 100; plus (3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not exceed 630 plus the city's sparsity adjustment~~.

(d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times the difference between one and the transition factor. For a city with a population of at least 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated under the formula in paragraph (b) times the difference between one and the transition factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent times the amount that the city's population exceeds the minimum threshold. For purposes of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount that the city's population exceeds the minimum threshold.

(e) The city revenue need cannot be less than zero.

(f) For calendar year ~~2015~~ 2023 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce, for the most recently available year to the ~~2013~~ 2020 implicit price deflator for state and local government purchases.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 4. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision to read:

Subd. 46. **City age index.** "City age index" means 100 times the ratio of (1) the population age 65 and over within the city, to (2) the population of the city.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 5. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision to read:

Subd. 47. **Commercial industrial utility percentage.** The "commercial industrial utility percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values of all real and personal property in the city classified as class 3 under section 273.13, subdivision 24, to (2) the total market value of all taxable real and personal property in the city. The market values are the amounts computed before any adjustments for fiscal disparities under section 276A.06 or 473F.08. The market values used for this subdivision are not equalized.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 6. Minnesota Statutes 2020, section 477A.0124, subdivision 2, is amended to read:

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

(b) "County program aid" means the sum of "county need aid," "county tax base equalization aid," and "county transition aid."

(c) "Age-adjusted population" means a county's population multiplied by the county age index.

(d) "County age index" means the percentage of the population age 65 and over within the county divided by the percentage of the population age 65 and over within the state, except that the age index for any county may not be greater than 1.8 nor less than 0.8.

(e) "Population age 65 and over" ~~means the population age 65 and over established as of July 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. A revision to an estimate or count is effective for these purposes only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014~~ has the meaning given in section 477A.011, subdivision 3b.

(f) "Part I crimes" means the three-year average annual number of Part I crimes reported for each county by the Department of Public Safety for the most recent years available. By July 1 of each year, the commissioner of public safety shall certify to the commissioner of revenue the number of Part I crimes reported for each county for the three most recent calendar years available.

(g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits" means the average monthly number of households receiving SNAP benefits for the three most recent years for which data is available. By July 1 of each year, the commissioner of human services must certify to the commissioner of revenue the average monthly number of households in the state and in each county that receive SNAP benefits, for the three most recent calendar years available.

(h) "County net tax capacity" means the county's adjusted net tax capacity under section 273.1325.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 7. Minnesota Statutes 2020, section 477A.013, subdivision 8, is amended to read:

Subd. 8. **City formula aid.** (a) For aids payable in ~~2018~~ 2023 and thereafter, the formula aid for a city is equal to the product of (1) the difference between its unmet need and its certified aid in the previous year ~~and before any aid adjustment under subdivision 13~~, and (2) the aid gap percentage.

(b) The applicable aid gap percentage must be calculated by the Department of Revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be the most recently available data as of January 1 in the year in which the aid is calculated.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 8. Minnesota Statutes 2020, section 477A.013, subdivision 9, is amended to read:

Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2023 and thereafter, if a city's certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less than its current unmet need, the city shall receive an aid distribution equal to the sum of (1) its certified aid in the previous year ~~before any aid adjustment under subdivision 13~~, and (2) the city formula aid under subdivision 8~~, and (3) its aid adjustment under subdivision 13~~.

(b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment under subdivision 13 for that year.~~ For aids payable in ~~2020~~ 2023 and thereafter, if a city's certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal to or greater than its current unmet need, the total aid for a city is equal to the greater of (1) its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was certified to receive in the previous year minus the ~~sum of (i) any adjustment under subdivision 13 that was paid in the previous year but has expired, and (ii) the~~ lesser of (i) $10 multiplied by its population, or (ii) five percent of its net levy in the year prior to the aid distribution. No city may have a total aid amount less than $0.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 9. Minnesota Statutes 2020, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section 477A.013, subdivision 9, is $519,398,012. For aids payable in 2018 and 2019, the total aid paid under section 477A.013, subdivision 9, is $534,398,012. For aids payable in 2020, the total aid paid under section 477A.013, subdivision 9, is $560,398,012.~~ For aids payable in 2021 and ~~thereafter~~ 2022, the total aid payable under section 477A.013, subdivision 9, is $564,398,012. For aids payable in 2023 and thereafter, the total aid payable under section 477A.013, subdivision 9, is $598,617,913.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 10. Minnesota Statutes 2021 Supplement, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is $103,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is $116,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6.~~ For aids payable in 2021 ~~through 2024~~ and 2022, the total aid payable under section 477A.0124, subdivision 3, is $118,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2023 and 2024, the total aid payable under section 477A.0124, subdivision 3, is $124,547,834, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~$115,795,000~~ $121,547,834. On or before the first installment date provided in section 477A.015, paragraph (a), $500,000 of this appropriation shall be transferred each year by the commissioner of revenue to the Board of Public Defense for the payment of services under section 611.27. Any transferred amounts not expended or encumbered in a fiscal year shall be certified by the Board of Public Defense to the commissioner of revenue on or before October 1 and shall be included in the next certification of county need aid.

(b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is $130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is $143,873,444.~~ For aids payable in 2021 and ~~thereafter~~ 2022, the total aid under section 477A.0124, subdivision 4, is $145,873,444. For aids payable in 2023 and thereafter, the total aid under section 477A.0124, subdivision 4, is $153,120,610. The commissioner of revenue shall transfer to the Legislative Budget Office $207,000 annually for the cost of preparation of local impact

notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education $7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the Legislative Coordinating Commission and the commissioner of education respectively.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 11. Minnesota Statutes 2020, section 477A.12, subdivision 1, is amended to read:

Subdivision 1. **Types of land; payments.** The following amounts are annually appropriated to the commissioner of natural resources from the general fund for transfer to the commissioner of revenue. The commissioner of revenue shall pay the transferred funds to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage as of July 1 of each year prior to the payment year, are:

(1) $5.133 multiplied by the total number of acres of acquired natural resources land or, at the county's option three-fourths of one percent of the appraised value of all acquired natural resources land in the county, whichever is greater;

(2) $5.133, multiplied by the total number of acres of transportation wetland or, at the county's option, three-fourths of one percent of the appraised value of all transportation wetland in the county, whichever is greater;

(3) $5.133, multiplied by the total number of acres of wildlife management land, or, at the county's option, three-fourths of one percent of the appraised value of all wildlife management land in the county, whichever is greater;

(4) 50 percent of the dollar amount as determined under clause (1), multiplied by the number of acres of military refuge land in the county;

(5) ~~$2~~ $3, multiplied by the number of acres of county-administered other natural resources land in the county;

(6) $5.133, multiplied by the total number of acres of land utilization project land in the county;

(7) ~~$2~~ $3, multiplied by the number of acres of commissioner-administered other natural resources land in the county; ~~and~~

(8) $0.18, multiplied by the total number of acres in the county eligible for payment under clauses (1) to (7), provided that the total number of acres in the county eligible for payment under clauses (1) to (7) is equal to or greater than 25 percent of the total acreage in the county;

(9) $0.08, multiplied by the total number of acres in the county eligible for payment under clauses (1) to (7), provided that the total number of acres in the county eligible for payment under clauses (1) to (7) is equal to or greater than ten percent, but less than 25 percent of the total acreage in the county; and

(10) without regard to acreage, and notwithstanding the rules adopted under section 84A.55, $300,000 for local assessments under section 84A.55, subdivision 9, that shall be divided and distributed to the counties containing state-owned lands within a conservation area in proportion to each county's percentage of the total annual ditch assessments.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2023.

Sec. 12. Minnesota Statutes 2020, section 477A.12, subdivision 3, is amended to read:

Subd. 3. **Determination of appraised value.** For the purposes of this section, the appraised value of acquired natural resources land is the purchase price until the next six-year appraisal required under this subdivision. The appraised value of acquired natural resources land received as a donation is the value determined for the commissioner of natural resources by a licensed appraiser, or the county assessor's estimated market value if no appraisal is done. The appraised value must be determined by the county assessor every six years, except that the appraised value shall not be less than the most recent appraised value. All reappraisals shall be done in the same year as county assessors are required to assess exempt land under section 273.18.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2023.

Sec. 13. Minnesota Statutes 2020, section 477A.12, is amended by adding a subdivision to read:

Subd. 4. **Adjustment.** The commissioner shall annually adjust the amounts in subdivision 1, clauses (1) to (10), as provided in section 270C.22, subdivision 1, except as provided in this subdivision. To determine the dollar amounts for payments in calendar year 2024, the commissioner shall determine the percentage change in the index for the 12-month period ending on August 31, 2023, and increase each of the unrounded dollar amounts in section 477A.12, subdivision 1, by that percentage change. For each subsequent year, the commissioner shall increase the dollar amounts by the percentage change in the index from August 31 of the year preceding the statutory year, to August 31 of the year preceding the taxable year. The commissioner shall round the amounts as adjusted to the nearest tenth of a cent.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2023.

Sec. 14. **[477A.23] SOIL AND WATER CONSERVATION DISTRICT AID.**

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

(1) "nonpublic land" means tract, lot, parcel, and piece or parcel of land as defined by section 272.03, subdivision 6, that is not owned by the federal government, the state, or a local government unit; and

(2) "soil and water conservation district" means a district under chapter 103C that is implementing the duties under that chapter as determined by the Board of Water and Soil Resources as of the date the board provides the certification to the commissioner of revenue required by subdivision 4.

Subd. 2. **Purpose.** The purpose of this section is to provide ongoing financial support to soil and water conservation districts to aid in the execution of chapter 103C and other duties and services prescribed by statute.

Subd. 3. **Distribution.** The Board of Water and Soil Resources must calculate the amount of aid to be distributed to the certified soil and water conservation districts from the appropriation in subdivision 7 as follows:

(1) 70 percent of the appropriation must be distributed equally among the districts; and

(2) 30 percent of the appropriation must be distributed proportionally among the districts according to the amount of nonpublic land located in a district as compared to the amount of nonpublic land in the state.

Subd. 4. **Certification to commissioner.** On or before June 1 each year, the Board of Water and Soil Resources must certify to the commissioner of revenue the soil and water conservation districts that will receive a payment under this section and the amount of each payment.

Subd. 5. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil and water conservation district that receives a distribution under this section must use the proceeds to implement chapter 103C and other duties and services prescribed by statute.

(b) The board of each soil and water conservation district must establish, by resolution, annual guidelines for using payments received under this section. Current year guidelines and guidelines from the year immediately prior must be posted on the district website.

(c) A soil and water conservation district that receives a payment under this section may appropriate any portion of the payment to a governmental unit with which the district has a cooperative agreement under section 103C.231. Any payment received under this section and appropriated by the district must be used as required by this section.

Subd. 6. **Payments.** The commissioner of revenue must distribute soil and water conservation district aid in the same manner and at the same times as aid payments provided under section 477A.015.

Subd. 7. **Appropriation.** $22,000,000 is annually appropriated from the general fund to the commissioner of revenue to make the payments required under his section.

Subd. 8. **Aid amount corrections.** If, due to a clerical error, the amount certified by the Board of Soil and Water Resources to a soil and water conservation district is less than the amount to which the district is entitled under this section, the Board of Water and Soil Resources shall recertify the correct amount to the commissioner of revenue and communicate the error and the corrected amount to the affected soil and water conservation district as soon as practical after the error is discovered. The commissioner of revenue shall then distribute additional aid payments in the same manner as additional aid payments are made under section 477A.014. The additional aid payments shall be made from the general fund and shall not diminish the distributions made to other soil and water conservation districts under this section.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2022 and thereafter.

Sec. 15. Minnesota Statutes 2021 Supplement, section 477A.30, is amended to read:

477A.30 LOCAL HOMELESS PREVENTION AID.

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

(1) "city" means a statutory or home rule charter city;

(2) "distribution factor" means the total number of students experiencing homelessness in a county in the current school year and the previous two school years divided by the total number of students experiencing homelessness in all counties in the current school year and the previous two school years; ~~and~~

(3) "families" means families and persons 24 years of age or younger; and

(4) "Tribal governments" means the federally recognized Indian Tribes located in Minnesota, including: Bois Forte Band; Fond du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community; and Upper Sioux Community.

Subd. 2. **Purpose.** The purpose of this section is to help local governments and Tribal governments ensure no child is homeless within a local jurisdiction by keeping families from losing housing and helping those experiencing homelessness find housing.

Subd. 3. **County distribution.** (a) A county's initial local homeless prevention aid amount equals the greater of: (1) $5,000; or (2)(i) five percent of the money appropriated ~~to local homeless prevention aid~~ under ~~this section~~ subdivision 6, paragraph (a), times (ii) the ratio of the population of the county to the population of all counties. For the purpose of this paragraph, "population" means the population estimate used to calculate aid under section 477A.0124 for the same aid payable year.

(b) The amount of the appropriation in subdivision 6, paragraph (a), remaining after the allocation under paragraph (a) must be allocated to counties by multiplying each county's distribution factor by the total distribution available under this paragraph. Distribution factors must be based on the most recent counts of students experiencing homelessness in each county, as certified by the commissioner of education to the commissioner of revenue by July 1 of the year the aid is certified to the counties under subdivision 5.

(c) A county's total local homeless prevention aid equals the sum of the amounts under paragraphs (a) and (b).

Subd. 3a. **Tribal governments distribution.** The total local homeless prevention aid distributed to Tribal governments equals the amount appropriated under subdivision 6, paragraph (b). Each Tribal government must receive an equal share of local homeless prevention aid under this subdivision.

Subd. 4. **Use of proceeds.** (a) Counties and Tribal governments that receive a distribution under this section must use the proceeds to fund new or existing family homeless prevention and assistance projects or programs. These projects or programs may be administered by a county, a group of contiguous counties jointly acting together, a city, a group of contiguous cities jointly acting together, a ~~Tribe~~ Tribal government, a group of ~~Tribes~~ Tribal governments, or a community-based nonprofit organization. Each project or program must include plans for:

(1) targeting families with children who are eligible for a prekindergarten through grade 12 academic program and are:

(i) living in overcrowded conditions in their current housing;

(ii) paying more than 50 percent of their income for rent; or

(iii) lacking a fixed, regular, and adequate nighttime residence;

(2) targeting unaccompanied youth in need of an alternative residential setting;

(3) connecting families with the social services necessary to maintain the families' stability in their homes, including but not limited to housing navigation, legal representation, and family outreach; ~~and~~

(4) collaboration with the regional Continuum of Care to fit with the regional plan to end homelessness; and

(5) one or more of the following:

(i) providing rental assistance for a specified period of time which may exceed 24 months; or

(ii) providing support and case management services to improve housing stability, including but not limited to housing navigation and family outreach.

(b) ~~Counties may choose not to spend all or a portion of the distribution under this section.~~ Any unspent funds must be returned to the commissioner of revenue by December 31 of the year following the year that the aid was received. Any funds returned to the commissioner under this paragraph by counties must be added to the ~~overall distribution of aids certified under this section~~ appropriation in subdivision 6, paragraph (a), in the following year.

Any funds returned to the commissioner under this paragraph by Tribal governments must be added to the appropriation in subdivision 6, paragraph (b), in the following year. Any unspent funds returned to the commissioner after the expiration under subdivision 8 are canceled to the general fund.

(c) County and Tribal government collaboration with the regional Continuum of Care must include documentation of collaboration using a standardized form as prescribed by the commissioner of revenue.

Subd. 5. **Payments.** The commissioner of revenue must compute the amount of local homeless prevention aid payable to each county and Tribal government under this section. On or before August 1 of each year, the commissioner shall certify the amount to be paid to each county and Tribal government in the following year. The commissioner shall pay local homeless prevention aid annually at the times provided in section 477A.015.

Subd. 6. **Appropriation.** ~~$20,000,000~~ (a) $17,800,000 is annually appropriated from the general fund to the commissioner of revenue to make payments to counties required under this section.

(b) $2,200,000 is annually appropriated from the general fund to the commissioner of revenue to make payments to Tribal governments required under this section.

Subd. 7. **Report.** (a) No later than January 15, 2025, the commissioner of revenue must produce a report on projects and programs funded by counties and Tribal governments under this section. The report must include a list of the projects and programs, the number of people served by each, and an assessment of how each project and program impacts people who are currently experiencing homelessness or who are at risk of experiencing homelessness, as reported by the counties and Tribal governments to the commissioner by December 31 each year on a form prescribed by the commissioner. The commissioner must provide a copy of the report to the chairs and ranking minority members of the legislative committees with jurisdiction over property taxes and services for persons experiencing homelessness.

(b) The report in paragraph (a) must be updated every two years and the commissioner of revenue must provide copies of the updated reports to the chairs and ranking minority members of the legislative committees with jurisdiction over property taxes and services for persons experiencing homelessness by January 15 of the year the report is due. Report requirements under this subdivision expire following the report which includes the final distribution preceding the expiration in subdivision 8.

Subd. 8. **Expiration.** Distributions under this section expire after aids payable in 2028 have been distributed.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2023 and thereafter.

Sec. 16. **[477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.**

Subdivision 1. **Aid appropriation.** (a) The commissioner of revenue shall make reimbursement aid payments to compensate for the loss of property tax revenue related to the trust conversion application of the Shooting Star Casino. The commissioner shall pay the county of Mahnomen, $900,000; the city of Mahnomen, $320,000; and Independent School District No. 432, Mahnomen, $140,000.

(b) The payments shall be made annually on July 20.

Subd. 2. **Appropriation.** An amount sufficient to pay reimbursement aid under this section is annually appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 17. **[477A.35] LOCAL AFFORDABLE HOUSING AID.**

Subdivision 1. **Purpose.** The purpose of this section is to help local governments to develop and preserve affordable housing within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

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

(1) "city" means a statutory or home rule charter city with a population of at least 10,000;

(2) "city distribution factor" means the number of households in a city that are cost-burdened divided by the total number of households that are cost-burdened in Minnesota cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year;

(3) "cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income;

(4) "county distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in Minnesota that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year; and

(5) "population" has the meaning given in section 477A.011, subdivision 3.

Subd. 3. **Distribution.** (a) Each county shall receive the sum of:

(1) $6,000; plus

(2) the product of:

(i) the county distribution factor; multiplied by

(ii) the total amount available to counties under this section minus the product of clause (1) multiplied by the number of Minnesota counties.

(b) The commissioner of revenue shall determine the amount of funding available to a city under this section by multiplying the city's city distribution factor and the amount of funding available to cities under this section.

Subd. 4. **Grants to nonqualifying local governments.** (a) The commissioner of the Minnesota Housing Finance Agency shall establish a program to award grants of at least $25,000 to local governments that do not qualify for a distribution of aid under subdivision 3. The agency shall develop program guidelines and criteria in consultation with the League of Minnesota Cities.

(b) The agency shall attempt to award grants in approximately equal amounts to local governments outside and within the metropolitan area. Among comparable proposals, the agency shall prioritize grants to local governments that have a higher proportion of cost-burdened households.

(c) A grantee must use its grant on a qualifying project.

(d) In making grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should repayment be required. Any repaid funds shall be returned to the account or accounts established pursuant to paragraph (e).

(e) The agency shall establish a bookkeeping account or accounts in the housing development fund for money distributed to it for grants under this subdivision. By May 1 of each year, the Minnesota Housing Finance Agency shall report to the Department of Revenue on the amount in the account or accounts.

Subd. 5. **Qualifying projects.** (a) Qualifying projects shall include projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force.

(b) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

(c) If a grant under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

Subd. 6. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. If a city or county demonstrates to the Minnesota Housing Finance Agency that it 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, funds shall be considered spent on a qualifying project if they are transferred to a local housing trust fund. Funds transferred to a local housing trust fund must be spent on a project or household meeting the affordability requirements of subdivision 6, paragraph (a).

(b) Any unspent funds must be returned to the commissioner of revenue by December 31 in the third year following the year after the aid was received.

Subd. 7. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each city and county under this section. Prior to computing the amount of aid for counties and after receiving the report required by subdivision 4, paragraph (e), the commissioner shall transfer from the funds available to counties to the Minnesota Housing Finance Agency a sum sufficient to increase the amount in the account or accounts established under that paragraph to $4,000,000. By August 1 of each year, the commissioner must certify the amount to be paid to each county and city in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015.

(b) Beginning in 2024, cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report shall include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a city or county fails to submit a report, if a city or county failed to spend funds within the timeline imposed under subdivision 6, paragraph (b), or if a city or county uses funds for a project that does not qualify under this section, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15 after receiving notice from the Minnesota Housing Finance Agency, a city or county must repay to the commissioner of revenue funds it received under this section if it:

(1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

(2) spends the funds on anything other than a qualifying project; or

(3) fails to submit a report documenting use of the funds.

(d) The commissioner of revenue must stop distributing funds to any city or county if it has been reported by the Minnesota Housing Finance Agency to have, in three consecutive years, failed to use funds, misused funds, or failed to report on its use of funds.

(e) The commissioner may resume distributing funds to any city or county to which it has stopped payments once the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By May 1, any funds repaid to the commissioner of revenue by cities under paragraph (c) must be added to the overall distribution of aids certified under this section for cities in the following year. By May 1, any funds repaid to the commissioner of revenue by counties under paragraph (c) must be added to the overall distribution of aids certified under this section for counties in the following year.

Subd. 8. **County consultation with local governments.** A county that receives funding under this section shall regularly consult with the local governments in the jurisdictions of which its qualifying projects are planned or located.

Subd. 9. **Appropriations.** (a) $32,000,000 is annually appropriated from the general fund to the commissioner of revenue to make payments to counties as required under this section, except that in fiscal year 2024 the amount appropriated is $29,600,000.

(b) $8,000,000 is annually appropriated from the general fund to the commissioner of revenue to make payments to cities as required under this section, except that in fiscal year 2024 the amount appropriated is $7,400,000.

(c) $..... is annually appropriated from the general fund to the commissioner of revenue to implement this section.

(d) $..... is annually appropriated from the general fund to the commissioner of the Minnesota Housing Finance Agency to implement this section.

EFFECTIVE DATE. This section is effective beginning with aids payable in calendar year 2023.

Sec. 18. **[477A.40] STRONGER COMMUNITY AID.**

Subdivision 1. **Purpose.** The purpose of this section is to enhance the local performance measurement program administered by the Office of the State Auditor by implementing a permanent aid program set to compensate participating local units of government for implementing a performance measurement program. Participation in this program is voluntary. For purposes of this section, "local units of government" means all counties and all statutory and home rule charter cities.

Subd. 2. **Duties of the Office of the State Auditor.** (a) To assist participating local units of government, the Office of the State Auditor must provide on its website guidance for compliance with the requirements of this section, including but not limited to:

(1) performance measures for counties;

(2) performance measures for cities;

(3) a sample resolution for counties and cities; and

(4) reporting requirements.

(b) Under subdivision 7, the state auditor must prescribe the form on which participating local units of government certify their compliance with the requirements of this section.

(c) Under subdivision 9, the state auditor must certify to the commissioner of revenue by April 1 of each year the list of participating local units of government that are eligible to receive aid under this section.

Subd. 3. **Program performance measures.** (a) Each year, a local unit of government that elects to participate in this section must adopt and implement a set of ten performance measures prescribed by the Office of the State Auditor.

(b) A local unit of government that elects to participate in this section must adopt its performance measures by June 1 each year.

Subd. 4. **Citizen performance measure and budget workshop meetings.** (a) A local unit of government that elects to participate in this section must hold an annual citizen performance measure and budget workshop meeting. This meeting must be used to: (i) discuss performance measures selected for the upcoming year; (ii) review and report the performance measure results for the current year and compare these results to previous years, if applicable; (iii) discuss the budget process and budget priorities; and (iv) receive public input.

(b) The meeting described in this subdivision must be held between June 15 and August 15 of each year, not before 6:00 p.m., with notice to the public provided at least 15 days before the meeting is held by posting on the local unit of government's official website or by direct mail.

Subd. 5. **Preliminary budget meeting.** At the meeting at which a local unit of government participating in this section sets its preliminary budget and levy pursuant to section 275.065, subdivision 1, the participating local unit of government must identify at least two performance measures needing improvement and determine a strategy and plan for improving these measures.

Subd. 6. **Final budget meeting; resolution.** At the meeting at which a local unit of government participating in this section sets its final budget and levy pursuant to section 275.07, the participating local unit of government must approve a resolution declaring that:

(1) the participating local unit of government adopted and implemented the appropriate number of performance measures prescribed by the Office of the State Auditor;

(2) the participating local unit of government held a citizen performance measure and budget workshop meeting before the preliminary budget meeting in subdivision 5, during which the local unit of government discussed the budget process, reported the results of the performance measures from the previous year to the public, and allowed for public input;

(3) performance measure results from the previous year, if applicable, were made public through the local unit of government's official website or by direct mail; and

(4) the participating local unit of government identified at least two performance measures for improvement and developed a plan for improving these measures and a strategy for evaluating the improvements in the next year.

Subd. 7. **Certification to the Office of the State Auditor.** A participating local unit of government must certify to the Office of the State Auditor, on a form prescribed by the auditor, that it has met the requirements of subdivisions 3 to 6 by February 1 of the aid distribution year.

Subd. 8. **Aid calculation.** (a) Beginning in calendar year 2023 and thereafter, each local jurisdiction that has satisfied the requirements under this section is eligible for an aid payment of $0.14 per capita, but not exceed $25,000 for any jurisdiction.

(b) For purposes of this section, the population data used in calculating the aid to each participating local unit of government must be the most recently available data as of January 1 of the year in which the aid is distributed.

Subd. 9. **Aid certification and payment.** (a) By April 1 of the aid distribution year, the Office of the State Auditor must certify to the commissioner of revenue a list of the local units of government that have certified, pursuant to subdivision 7, that they have met the requirements of this section and are eligible to receive aid.

(b) The commissioner of revenue must annually make all necessary calculations and make payments directly to the local units of government that are eligible to receive aid. In addition, the commissioner must notify the local units of government of the aid amounts and statewide total figures before August 1 of the aid distribution year.

(c) The commissioner of revenue must make the payments to qualifying local units of government on December 26 annually.

Subd. 10. **Appropriation.** An amount sufficient to make the payments required by the commissioner of revenue under subdivision 9 is annually appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for aids payable in 2024 and thereafter.

Sec. 19. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to read:

Sec. 3. **MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT, PROPERTY TAX REIMBURSEMENT.**

Subdivision 1. **Aid appropriation.** (a) $1,200,000 is appropriated annually from the general fund to the commissioner of revenue to be used to make payments to compensate for the loss of property tax revenue related to the trust conversion application of the Shooting Star Casino. The commissioner shall pay the county of Mahnomen, $900,000; the city of Mahnomen, $160,000; and Independent School District No. 432, Mahnomen, $140,000. The payments shall be made on July 20, of 2013 and each subsequent year.

(b) This section expires after aids payable year 2022.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 20. **COUNTY GRANTS FOR COMMUNITY CAREER WORKFORCE ACADEMIES.**

Subdivision 1. **Purpose.** The purpose of this section is to help local governments address the state's severe workforce shortage by funding collaborative public-private efforts that create a strong pipeline of workers in high-demand areas and upskilling the current workforce with an emphasis on minority populations, new Minnesota residents, and underskilled workers.

Subd. 2. **Establishment.** (a) Community Career Workforce Academies are established as a public-private partnership between school districts, higher education, business, local governments, and nonprofits that will prepare students and adults for high-skill jobs of the future in identified growth industries and address the state's workforce shortage.

(b) Community Career Workforce Academies must deliver six core benefits to students:

(1) a rigorous, relevant education in grades 9 to postsecondary, inclusive, focused on high-wage, high-demand careers;

(2) workplace learning that includes career exploration activities such as mentoring by industry professionals, worksite visits, speakers, and internships;

(3) intensive, individualized academic support by both secondary and postsecondary faculty within an extended academic year or school day that enables students to progress through the program at their own pace;

(4) an opportunity to earn a postsecondary credential or degree;

(5) a commitment to students who complete the program to be first in line for a job with participating business partners following completion of the program; and

(6) upskilling the current adult workforce with an emphasis on minority populations, new Minnesota residents, underskilled workers, and those who are unemployed or underemployed.

Subd. 3. **Objectives.** (a) A Community Career Workforce Academy must accomplish the following:

(1) develop programs of study in high-wage, high-skill, and high-demand career areas for students and adults while addressing the workforce shortage;

(2) align school, college, and community systems in the programs of study developed under this section;

(3) support strong academic performance by program participants;

(4) promote informed and appropriate career exploration choices and preparation; and

(5) ensure that employers in key technical and high-demand fields and occupations have access to a talented and skilled workforce.

(b) Through the programs of study developed under this section, participating students must be able to earn college course credits toward a postsecondary credential or degree. Career pathways must include workplace learning and high school and postsecondary coursework. These pathways will provide a seamless sequence of study to ensure alignment to high-wage, high-demand careers.

Subd. 4. **Application.** (a) Counties, through resolution by the county board, may apply to the commissioner of employment and economic development for grants to be used in accordance with subdivision 5. The applications must be submitted by January 31, 2023, and must be rated on:

(1) the ability for the county to provide adequate facilities for a Community Career Workforce Academy that provides the benefits described in subdivision 2;

(2) the ability for the Community Career Workforce Academy in the county to provide adequate programming;

(3) the ability for the Community Career Workforce Academy in the county to meet the objectives in subdivisions 2 and 3; and

(4) a regional workforce and talent plan.

(b) The commissioner of employment and economic development must rate applications using the criteria in this subdivision and determine which counties will receive grants under this section. Grants awarded to each county must not exceed $10,000,000. By March 31, 2023, the commissioner of employment and economic development must certify to the commissioner of revenue the grant amounts to be issued to each county.

Subd. 5. **Use of grants.** Counties receiving grants under this section must use the funds to establish or support a Community Career Workforce Academy that meets the criteria under subdivisions 2 and 3. The funds provided under this section to a Community Career Workforce Academy by a county may be used for facility capital needs and programming. The county or a designee must administer the grant.

Subd. 6. **Appropriation.** (a) $40,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of revenue for payments to counties for grants under this section. The appropriation under this section must be used for the following purposes:

(1) up to $30,000,000 must be used for grants under subdivision 7, paragraph (a); and

(2) $10,000,000 must be used for a grant under subdivision 7, paragraph (b).

(b) This is a onetime appropriation. Any amount unexpended after August 15, 2023, is canceled.

Subd. 7. **Grants.** (a) The commissioner of revenue must make payment of the grant amounts to counties certified by the commissioner of employment and economic development under subdivision 4.

(b) Clay County shall be issued a onetime payment in the amount of $10,000,000 for the Moorhead Career Workforce Academy for capital facility needs and programming.

(c) Grants under paragraph (a) must be paid to counties within 60 days of the certification by the commissioner of employment and economic development. The grant under paragraph (b) must be paid by August 1, 2022.

(d) Grants and the process of making grants under this subdivision are exempt from the following statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third party to administer grants is exempt from Minnesota Statutes, section 471.345, in the selection of the third-party administrator. The exemptions under this paragraph expire after June 30, 2023.

Subd. 8. **Report.** By January 31, 2024, the commissioner of employment and economic development must report to the legislative committees with jurisdiction over economic development policy and finance and taxes on the grants and the effectiveness of the Community Career Workforce Academies in meeting the objectives of subdivisions 2 and 3 and the grant application.

Sec. 21. **STUDY OF STATE-OWNED LAKESHORE.**

No later than January 31, 2023, the commissioner of revenue, in consultation with the Department of Natural Resources and counties, must produce a report on valuation methods used to value the acreage and shoreline areas within all commissioner-administered and county-administered other natural resources land, as defined in Minnesota Statutes, section 477A.11, subdivision 4. The report must include, by county, the most recent assessed value and acreage, and the assessed value and acreage for the two most recent assessments, as required under Minnesota Statutes, section 273.18, paragraph (b), aggregated by parcels containing shoreline and by parcels not containing shoreline area. Counties must report to the commissioner of revenue any necessary data by September 30, 2022. The commissioner must provide a copy of the report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxation.

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

Sec. 22. **2021 AID PENALTY FORGIVENESS; CITY OF ECHO.**

Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Echo must receive its aid payment for calendar year 2021 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3, and its small city assistance payment for calendar year 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue that it received the annual financial reporting form for 2020 from the city by June 1, 2022. The commissioner of revenue must make a payment of $46,060 to the city by June 30, 2022.

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

Sec. 23. **2021 AID PENALTY FORGIVENESS; CITY OF MORTON.**

Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Morton must receive its aid payment for calendar year 2021 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3, and its small city assistance payment for calendar year 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue that it received the annual financial reporting form for 2020 from the city by June 1, 2022. The commissioner of revenue must make a payment of $79,476 to the city by June 30, 2022.

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

Sec. 24. **REPEALER.**

(a) Minnesota Statutes 2020, sections 477A.011, subdivisions 30a, 38, 42, and 45; and 477A.013, subdivision 13, are repealed.

(b) Minnesota Statutes 2020, section 6.91, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective for aids payable in calendar year 2023 and thereafter. Paragraph (b) is effective January 1, 2024.

ARTICLE 6
TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 2020, section 469.174, subdivision 14, is amended to read:

Subd. 14. **Administrative expenses.** (a) "Administrative expenses" or "administrative costs" means ~~all~~ documented expenditures of an authority ~~other than~~ or municipality, including but not limited to:

(1) amounts paid for services provided by bond counsel, fiscal consultants, and economic development consultants;

(2) allocated expenses and staff time of the authority or municipality for administering a project, including but not limited to preparing the tax increment financing plan, negotiating and preparing agreements, accounting for segregated funds of the district, preparing and submitting required reporting for the district, and reviewing and monitoring compliance with sections 469.174 to 469.1794;

(3) amounts paid to publish annual disclosures and provide notices under section 469.175;

(4) amounts to provide for the usual and customary maintenance and operation of properties purchased with tax increments, including necessary reserves for repairs and the cost of any insurance;

(5) amounts allocated or paid to prepare a development action response plan for a soils condition district or hazardous substance subdistrict; and

(6) amounts used to pay bonds, interfund loans, or other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (5).

(b) Administrative expenses and administrative costs do not include:

(1) amounts paid for the purchase of land and buildings;

(2) amounts paid to contractors or others providing materials and services~~, including architectural and engineering services,~~ directly connected with the physical development of the real property in the project, including architectural and engineering services and materials and services for demolition, soil correction, and the construction or installation of public improvements;

(3) relocation benefits paid to or services provided for persons residing or businesses located in the project;

~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178; or~~

~~(5)~~ (4) amounts paid for property taxes or payments in lieu of taxes; and

(5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178 or other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to ~~(3)~~ (4).

~~For districts for which the requests for certifications were made before August 1, 1979, or after June 30, 1982, "administrative expenses" includes amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants.~~

This definition does not apply to administrative expenses or administrative costs referenced under section 469.176, subdivision 4h.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all districts, regardless of when the request for certification was made.

Sec. 2. Minnesota Statutes 2020, section 469.174, is amended by adding a subdivision to read:

Subd. 30. **Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means a written note or contractual obligation under which all of the following apply:

(1) the note or contractual obligation evidences an authority's commitment to reimburse a developer, property owner, or note holder for the payment of costs of activities, including any interest on unreimbursed costs;

(2) the reimbursement is made from tax increment revenues identified in the note or contractual obligation as received by a municipality or authority as taxes are paid; and

(3) the risk that available tax increments may be insufficient to fully reimburse the costs is borne by the developer, property owner, or note holder.

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

Sec. 3. Minnesota Statutes 2020, section 469.176, subdivision 3, is amended to read:

Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification was requested before August 1, 2001, no tax increment shall be used to pay any administrative expenses for a project which exceed ten percent of the total estimated tax increment expenditures authorized by the tax increment financing plan or ten percent of the total tax increment expenditures for the project net of any amounts returned to the county auditor as excess increment, as returned increment under section 469.1763, subdivision 4, paragraph (g), or as remedies under section 469.1771, subdivision 2, whichever is less.

(b) For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for a project which exceed ten percent of total estimated tax increment expenditures authorized by the tax increment financing plan or ten percent of the total tax increments, as defined in section 469.174, subdivision 25, clause (1), ~~from~~ received for the district net of any amounts returned to the county auditor as excess increment or as remedies under section 469.1771, subdivision 2, whichever is less.

(c) Increments used to pay the county's administrative expenses under subdivision 4h are not subject to the percentage limits in this subdivision.

(d) Increments defined under section 469.174, subdivision 25, clause (2), used for administrative expenses described under section 469.174, subdivision 14, paragraph (a), clause (4), are not subject to the percentage limits in this subdivision.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all districts, regardless of when the request for certification was made.

Sec. 4. Minnesota Statutes 2020, section 469.176, subdivision 4, is amended to read:

Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (1) to pay the principal of and interest on bonds issued to finance a project; (2) by a rural development financing authority for the purposes stated in section 469.142~~,~~; by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.048 to 469.068~~,~~; by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.090 to 469.108~~,~~; by a housing and redevelopment authority or economic development authority to finance or otherwise pay public redevelopment costs pursuant to sections 469.001 to 469.047~~,~~; by a municipality or

economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to sections 469.124 to 469.133~~,~~; by a municipality or authority to finance or otherwise pay the costs of developing and implementing a development action response plan~~,~~; by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve; and (3) to pay administrative expenses.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all districts, regardless of when the request for certification was made.

Sec. 5. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 2, is amended to read:

Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues derived from tax increments paid by properties in the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) All administrative expenses are considered to be expenditures for activities outside of the district, except that if the only expenses for activities outside of the district under this subdivision are for the purposes described in paragraph (d), administrative expenses will be considered as expenditures for activities in the district.

(d) The authority may elect, in the tax increment financing plan for the district, to increase by up to ten percentage points the permitted amount of expenditures for activities located outside the geographic area of the district under paragraph (a). As permitted by section 469.176, subdivision 4k, the expenditures, including the permitted expenditures under paragraph (a), need not be made within the geographic area of the project. Expenditures that meet the requirements of this paragraph are legally permitted expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase under this paragraph, the expenditures must:

(1) be used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in section 42 of the Internal Revenue Code; and

(2) not exceed the qualified basis of the housing, as defined under section 42(c) of the Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal Revenue Code; and

(3) be used to:

(i) acquire and prepare the site of the housing;

(ii) acquire, construct, or rehabilitate the housing; or

(iii) make public improvements directly related to the housing; or

(4) be used to develop housing:

(i) if the market value of the housing does not exceed the lesser of:

(A) 150 percent of the average market value of single-family homes in that municipality; or

(B) $200,000 for municipalities located in the metropolitan area, as defined in section 473.121, or $125,000 for all other municipalities; and

(ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period has expired; or

(5) to assist owner-occupied housing that meets the requirements of section 469.1761, subdivision 2.

(e) The authority under paragraph (d), clause (4), expires on December 31, 2016. Increments may continue to be expended under this authority after that date, if they are used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if December 31, 2016, is considered to be the last date of the five-year period after certification under that provision.

(f) For purposes of determining whether the minimum percentage of expenditures for activities in the district and maximum percentages of expenditures allowed on activities outside the district have been met under this subdivision, any amounts returned to the county auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total revenues derived from tax increments paid by properties in the district. Any other amounts returned to the county auditor for purposes other than a remedy under section 469.1771, subdivision 3, are considered to be expenditures for activities in the district.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all districts with a request for certification date after April 30, 1990, except that paragraph (f) shall apply to districts decertifying after December 31, 2022.

Sec. 6. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 3, is amended to read:

Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties in the district that are ~~considered to have been~~ expended on an activity within the district ~~under~~ will instead be considered to have been expended on an activity outside the district for purposes of subdivision 2 ~~only if one of the following occurs~~ unless:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification of the district, the revenues are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

(5) ~~expenditures are made~~ revenues are spent for housing purposes as ~~permitted~~ described by subdivision 2, ~~paragraphs~~ paragraph (b) ~~and (d), or for public infrastructure purposes within a zone as permitted by subdivision 2, paragraph (e)~~.

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

(c) For a redevelopment district or a renewal and renovation district certified after June 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are extended to ten years after certification of the district. For a redevelopment district certified after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph (a) are extended to eight years after certification of the district. This extension is provided primarily to accommodate delays in development activities due to unanticipated economic circumstances.

(d) For a redevelopment district that was certified after December 31, 2017, and before June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years after certification of the district.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all districts with a request for certification date after April 30, 1990.

Sec. 7. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 4, is amended to read:

Subd. 4. **Use of revenues for decertification.** ~~(a) In each year beginning with the sixth year following certification of the district, or beginning with the ninth year following certification of the district for districts whose five-year rule is extended to eight years under subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived from tax increments paid by properties in the district exceeds the amount of expenditures that have been made for costs permitted under subdivision 3, an amount equal to the difference between the in-district percent of the revenues derived from tax increments paid by properties in the district and the amount of expenditures that have been made for costs permitted under subdivision 3 must be used and only used to pay or defease the following or be set aside to pay the following:~~

~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the applicable pooling percent share for the district are insufficient; or~~

~~(4) the amount provided by the tax increment financing plan to be paid under subdivision 2, paragraphs (b), (d), and (e).~~

~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or beginning with the year following the extended period for districts whose five-year period is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified ~~and the pledge of tax increment discharged when the outstanding bonds have been defeased and~~ when ~~sufficient money has been set aside to pay, based on~~ the product of the applicable in-district percentage multiplied by the ~~increment to be~~ cumulative revenues derived from tax increments paid by properties in the district that have been collected through the end of the calendar year, equals or exceeds an amount sufficient to pay the following ~~amounts~~:

(1) ~~contractual~~ any costs and obligations ~~as defined~~ described in subdivision 3, ~~paragraph~~ paragraphs (a)~~, clauses (3) and (4);~~ and (b), excluding those under a qualifying pay-as-you-go contract and note;

~~(2) the amount specified in the tax increment financing plan for activities qualifying under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1); and~~

~~(3) the additional expenditures permitted by the tax increment financing plan for housing activities under an election under subdivision 2, paragraph (d), that have not been funded with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

(2) any accrued interest on the costs and obligations in clause (1), payable in accordance with the terms thereof; and

(3) any administrative expenses falling within the exception in subdivision 2, paragraph (c).

(b) For districts with an outstanding qualifying pay-as-you-go contract and note, the required decertification under paragraph (a) is deferred until the end of the remaining term of the last outstanding qualifying pay-as-you-go contract and note, and the applicable in-district percentage of cumulative revenues derived from tax increments paid by properties in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs (a) and (b), provided that the deferral shall not exceed the district's duration limit under section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise require decertification, the authority must annually either:

(1) remove from the district, by the end of the year, all parcels that will no longer have their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after the end of the year; or

(2) use the applicable in-district percentage of revenues derived from tax increments paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note of the district or other costs and obligations described in subdivision 3, paragraphs (a) and (b), or to accumulate and use revenues derived from tax increments paid by those parcels as permitted under paragraph (i).

The authority must remove any parcels as required by this paragraph by modification of the tax increment financing plan and notify the county auditor of the removed parcels by the end of the same calendar year. Notwithstanding section 469.175, subdivision 4, paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings required for approval of the original plan are not required for such a modification.

(c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August 1, 2022, to a bond other than a pay-as-you-go contract and note or interfund loan, and the proceeds of the bond were used solely or in part to pay authorized costs for activities outside the district, the requirement to decertify under paragraph (a) or remove parcels under paragraph (b) shall not apply prior to the bond being fully paid or defeased.

(d) For purposes of this subdivision, "applicable in-district percentage" means the percentage of tax increment revenue that is restricted for expenditures within the district, as determined under subdivision 2, paragraphs (a) and (d), for the district.

(e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means a pay-as-you-go contract and note that is considered to be for activities within the district under subdivision 3, paragraph (a).

(f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues derived from tax increments paid by properties in the district through the end of the calendar year shall include any final settlement distributions made in the following January. For purposes of the calculation in paragraph (a), any amounts returned to the county auditor as excess increment or as remedies under section 469.1771, subdivision 2, shall first be subtracted from the cumulative revenues derived from tax increments paid by properties in the district.

(g) The timing and implementation of a decertification pursuant to paragraphs (a) and (b) shall be subject to the following:

(1) when a decertification is required under paragraph (a) and not deferred under paragraph (b), the authority must, as soon as practical and no later than the final settlement distribution date of January 25 as identified in section 276.111 for the property taxes payable in the calendar year identified in paragraph (a), make the decertification by resolution effective for the end of the calendar year identified in paragraph (a), and communicate the decertification to the county auditor;

(2) when a decertification is deferred under paragraph (b), the authority must, by December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches termination, make the decertification by resolution effective for the end of that calendar year and communicate the decertification to the county auditor;

(3) if the county auditor is unable to prevent tax increments from being calculated for taxes payable in the year following the year for which the decertification is made effective, the county auditor may redistribute the tax increments in the same manner as excess increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first distributing them to the authority; and

(4) if tax increments are distributed to an authority for a taxes payable year after the year for which the decertification was required to be effective, the authority must return the amount of the distributions to the county auditor for redistribution in the same manner as excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

(h) The provisions of this subdivision do not apply to a housing district.

(i) Notwithstanding anything to the contrary in paragraph (a) or (b), if an authority has made the election in the tax increment financing plan for the district under subdivision 2, paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under paragraph (b) shall not apply prior to such time that the accumulated revenues derived from tax increments paid by properties in the district that are eligible to be expended for housing purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the authority is permitted to expend for housing purposes described under subdivision 2, paragraph (d), or the amount authorized for such purposes in the tax increment financing plan. Increment revenues collected after the district would have decertified under paragraph (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent the exception of this paragraph, shall be used solely for housing purposes as described in subdivision 2, paragraph (d).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all districts with a request for certification after April 30, 1990, except that the requirements under paragraph (b) to remove parcels or use revenues from such parcels as prescribed in paragraph (b) apply only to districts for which the request for certification was made after the day following final enactment.

Sec. 8. Minnesota Statutes 2020, section 469.1763, subdivision 6, is amended to read:

Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts for which the request for certification was made before August 1, 2001, and without regard to whether the request for certification was made prior to August 1, 1979.

(b) The municipality for the district may transfer available increments from another tax increment financing district located in the municipality, if the transfer is necessary to eliminate a deficit in the district to which the increments are transferred. The municipality may transfer increments as provided by this subdivision without regard to whether the transfer or expenditure is authorized by the tax increment financing plan for the district from which the transfer is made. A deficit in the district for purposes of this subdivision means the lesser of the following two amounts:

(1) ~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the district; minus the sum of

~~(ii)~~ (i) the total increments collected or to be collected from properties located within the district that are available for the calendar year including amounts collected in prior years that are currently available; plus

~~(iii)~~ (ii) total increments from properties located in other districts in the municipality including amounts collected in prior years that are available to be used to meet the district's obligations under this section, excluding this subdivision, or other provisions of law; or

(2) the reduction in increments collected from properties located in the district for the calendar year as a result of the changes in classification rates in Laws 1997, chapter 231, article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001, First Special Session chapter 5, or the elimination of the general education tax levy under Laws 2001, First Special Session chapter 5.

The authority may compute the deficit amount under clause (1) only (without regard to the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution, to use increments from the district to which increments are to be transferred and any transferred increments are only used to pay preexisting obligations and administrative expenses for the district that are required to be paid under section 469.176, subdivision 4h, paragraph (a).

(c) A preexisting obligation means:

(1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued to refund such bonds or to reimburse expenditures made in conjunction with a signed contractual agreement entered into before August 1, 2001, to the extent that the bonds are secured by a pledge of increments from the tax increment financing district; and

(2) binding contracts entered into before August 1, 2001, to the extent that the contracts require payments secured by a pledge of increments from the tax increment financing district.

(d) The municipality may require a development authority, other than a seaway port authority, to transfer available increments including amounts collected in prior years that are currently available for any of its tax increment financing districts in the municipality to make up an insufficiency in another district in the municipality, regardless of whether the district was established by the development authority or another development authority. This authority applies notwithstanding any law to the contrary, but applies only to a development authority that:

(1) was established by the municipality; or

(2) the governing body of which is appointed, in whole or part, by the municipality or an officer of the municipality or which consists, in whole or part, of members of the governing body of the municipality. The municipality may use this authority only after it has first used all available increments of the receiving development authority to eliminate the insufficiency and exercised any permitted action under section 469.1792, subdivision 3, for preexisting districts of the receiving development authority to eliminate the insufficiency.

(e) The authority under this subdivision to spend tax increments outside of the area of the district from which the tax increments were collected:

(1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e, 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other provisions of this section; and the percentage restrictions under subdivision 2 must be calculated after deducting increments spent under this subdivision from the total increments for the district; and

(2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect for districts for which the request for certification was made before June 30, 1982, or any other law to the contrary.

(f) If a preexisting obligation requires the development authority to pay an amount that is limited to the increment from the district or a specific development within the district and if the obligation requires paying a higher amount to the extent that increments are available, the municipality may determine that the amount due under the preexisting obligation equals the higher amount and may authorize the transfer of increments under this subdivision to pay up to the higher amount. The existence of a guarantee of obligations by the individual or entity that would receive the payment under this paragraph is disregarded in the determination of eligibility to pool under this subdivision. The authority to transfer increments under this paragraph may only be used to the extent that the payment of all other preexisting obligations in the municipality due during the calendar year have been satisfied.

(g) For transfers of increments made in calendar year 2005 and later, the reduction in increments as a result of the elimination of the general education tax levy for purposes of paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes payable in 2001, multiplied by the captured tax capacity of the district for the current taxes payable year.

EFFECTIVE DATE. This section is effective the day following final enactment and applies only to districts for which the request for certification was made before August 1, 2001, and without regard to whether the request for certification was made prior to August 1, 1979.

Sec. 9. Minnesota Statutes 2020, section 469.1771, subdivision 2, is amended to read:

Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property in a tax increment financing district that does not qualify for inclusion or retention within the district, the authority must pay to the county auditor an amount of money equal to the increment collected from the property for the year or years. The property must be eliminated from the original and captured tax capacity of the district effective for the current property tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at the end of the duration limit specified in the tax increment financing plan.~~

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

Sec. 10. Minnesota Statutes 2020, section 469.1771, subdivision 2a, is amended to read:

Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make a disclosure or to submit a report containing the information required by section 469.175, subdivisions 5 and 6, regarding a tax increment financing district within the time provided in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written notice that it or the municipality has failed to make the required disclosure or to submit a required report with respect to a particular district. The state auditor shall mail the notice on or before the third Tuesday of August of the year in which the disclosure or report was required to be made or submitted. The notice must describe the consequences of failing to disclose or submit a report as provided in paragraph (b). If the state auditor has not received a copy of a disclosure or a report described in this paragraph on or before the first day of October of the year in which the disclosure or report was required to be made or submitted, the state auditor shall mail a written notice to the county auditor to hold the distribution of tax increment from a particular district.

(b) Upon receiving written notice from the state auditor to hold the distribution of tax increment, the county auditor shall hold: ~~—~~ all tax increment that otherwise would be distributed after receipt of the notice, until further notified under paragraph (c).

~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if the distribution is made after the first day of October but during the year in which the disclosure or report was required to be made or submitted; or~~

~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if the distribution is made after December 31 of the year in which the disclosure or report was required to be made or submitted.~~

(c) Upon receiving the copy of the disclosure and all of the reports described in paragraph (a) with respect to a district regarding which the state auditor has mailed to the county auditor a written notice to hold distribution of tax increment, the state auditor shall mail to the county auditor a written notice lifting the hold and authorizing the county auditor to distribute to the authority or municipality any tax increment that the county auditor had held pursuant to paragraph (b). The state auditor shall mail the written notice required by this paragraph within five working days after receiving the last outstanding item. The county auditor shall distribute the tax increment to the authority or municipality within 15 working days after receiving the written notice required by this paragraph.

(d) Notwithstanding any law to the contrary, any interest that accrues on tax increment while it is being held by the county auditor pursuant to paragraph (b) is not tax increment and may be retained by the county.

(e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered distributed to or received by the authority or municipality as of the time that it would have been distributed or received but for paragraph (b).

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

Sec. 11. Minnesota Statutes 2020, section 469.1771, subdivision 3, is amended to read:

Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district from which the increment was received, or (3) on activities outside of the geographic area in which the revenues may be expended under this chapter, the authority must pay to the county auditor an amount equal to the expenditures made in violation of the law.

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

Sec. 12. Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended by Laws 2008, chapter 366, article 5, section 21, and Laws 2019, First Special Session chapter 6, article 7, section 1, is amended to read:

Subdivision 1. **District extension.** (a) The governing body of the city of Hopkins may elect to extend the duration of its redevelopment tax increment financing district 2-11 by up to four additional years.

(b) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, effective upon approval of this subdivision, no increments may be spent on activities located outside of the area of the district, other than:

(1) to pay administrative expenses, not to exceed ten percent of the total tax increments from the district; or

(2) to pay the costs of housing or redevelopment activities that are consistent with Minnesota Statutes, section 469.176, subdivision 4j~~, provided that expenditures under this clause may not exceed 20 percent of the total tax increments from the district~~.

The total amount of increment that may be spent on activities located outside the area of the district under this section shall be limited to ~~25~~ 30 percent.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Hopkins and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 13. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment financing plan for a district, the rules under this section apply to a redevelopment district, renewal and renovation district, soil condition district, or soil deficiency district established by the city or a development authority of the city in the project area.

(b) Prior to or upon the adoption of the first tax increment plan subject to the special rules under this subdivision, the city must find by resolution that parcels consisting of at least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way, are characterized by one or more of the following conditions:

(1) peat or other soils with geotechnical deficiencies that impair development of commercial buildings or infrastructure;

(2) soils or terrain that require substantial filling in order to permit the development of commercial buildings or infrastructure;

(3) landfills, dumps, or similar deposits of municipal or private waste;

(4) quarries or similar resource extraction sites;

(5) floodway; and

(6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174, subdivision 10.

(c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the relevant condition if at least 70 percent of the area of the parcel contains the relevant condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by substandard buildings if substandard buildings occupy at least 30 percent of the area of the parcel.

(d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ~~eight~~ 11 years for any district~~,~~; the five-year rule under Minnesota Statutes, section 469.175, subdivision 4, paragraph (f), is extended to eight years for any district; and Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

(e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763, subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax increments paid by properties in any district, measured over the life of the district, may be expended on activities outside the district but within the project area.

(f) For a soil deficiency district:

(1) increments may be collected through 20 years after the receipt by the authority of the first increment from the district;

(2) increments may be used only to:

(i) acquire parcels on which the improvements described in item (ii) will occur;

(ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional cost of installing public improvements directly caused by the deficiencies; and

(iii) pay for the administrative expenses of the authority allocable to the district; and

(3) any parcel acquired with increments from the district must be sold at no less than their fair market value.

(g) Increments spent for any infrastructure costs, whether inside a district or outside a district but within the project area, are deemed to satisfy the requirements of Minnesota Statutes, section 469.176, subdivision 4j.

(h) The authority to approve tax increment financing plans to establish tax increment financing districts under this section expires June 30, 2020.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Savage and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 14. **CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT; SPECIAL RULES.**

Subdivision 1. **Transfer of increment.** Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the city of Fridley, or its economic development authority, may transfer tax increment accumulated from Fridley Tax Increment Financing District No. 20 to the Fridley Housing and Redevelopment Authority for the purposes authorized in subdivision 2. Only increment allowed to be expended outside of the district pursuant to Minnesota Statutes, section 469.1763, subdivision 2, may be transferred under this section.

Subd. 2. **Allowable use.** Increment transferred under subdivision 1 may only be expended on housing programs adopted by the Fridley Housing and Redevelopment Authority on or prior to December 31, 2021.

Subd. 3. **Annual financial reporting.** Tax increment transferred under this section is subject to the annual reporting requirements under Minnesota Statutes, section 469.175, subdivision 6.

Subd. 4. **Legislative reports.** By February 1, 2024, and February 1, 2026, the city of Fridley must issue a report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxes. Each report must include detailed information relating to each program financed with increment transferred under this section.

Subd. 5. **Expiration.** The authority to make transfers under subdivision 1 expires December 31, 2026.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Fridley and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 15. **CITY OF PLYMOUTH; TIF AUTHORITY.**

Subdivision 1. **Establishment.** Under the special rules established in subdivision 2 of this section, the city of Plymouth may establish a redevelopment district located wholly within the city of Plymouth, Hennepin County, Minnesota, limited to the following parcels, identified by tax identification numbers, together with adjacent roads and rights-of-way: 34-119-22-44-0002, 03-118-22-12-0002, 03-118-22-11-0007, 02-118-22-22-0005, and 03-118-22-14-0032.

Subd. 2. **Special rules.** If the city establishes a tax increment financing district under this section, the following special rules apply:

(1) the district meets all the requirements of Minnesota Statutes, section 469.174, subdivision 10;

(2) the five-year rule period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years;

(3) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district; and

(4) increments generated from the district may be expended on improvements to Hennepin County Road 47 outside the project area, and all such expenditures are deemed expended on activities within the district for the purposes of Minnesota Statutes, section 469.1763.

Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish a tax increment financing district under this section expires December 31, 2029.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Plymouth and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 16. **CITY OF WOODBURY; TIF DISTRICT NO. 13; EXPENDITURES ALLOWED; DURATION EXTENSION.**

(a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other law to the contrary, the city of Woodbury may expend increments generated from Tax Increment Financing District No. 13 for the maintenance and facility and infrastructure upgrades to Central Park. All such expenditures are deemed expended on activities within the district.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by five years.

EFFECTIVE DATE. Paragraph (a) is effective the day after the governing body of the city of Woodbury and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance by the city of Woodbury, Washington County, and Independent School District No. 833 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021, subdivisions 2 and 3.

ARTICLE 7
LOCAL TAXES

Section 1. Minnesota Statutes 2020, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose a general sales tax (1) under section 297A.992, (2) under section 297A.993, (3) if permitted by special law, or (4) if the political subdivision enacted and imposed the tax before January 1, 1982, and its predecessor provision.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

(1) enacted before June 2, 1997, or

(2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference.

(c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles unless it is imposed under section 297A.993.

(d) A political subdivision may not advertise or expend funds for the promotion of a referendum to support imposing a local sales tax ~~and may only spend funds related to imposing a local sales tax to:~~.

(e) Notwithstanding paragraph (d), a political subdivision may only spend funds related to imposing a local sales tax to:

(1) conduct the referendum;

(2) disseminate information included in the resolution adopted and submitted under subdivision 2, but only if the disseminated information includes a list of specific projects and the cost of each individual project;

(3) provide notice of, and conduct public forums at which proponents and opponents on the merits of the referendum are given equal time to express their opinions on the merits of the referendum;

(4) provide facts and data on the impact of the proposed local sales tax on consumer purchases; and

(5) provide facts and data related to the individual programs and projects to be funded with the local sales tax.

EFFECTIVE DATE. This section is effective for local sales tax proposals submitted for legislative approval after the day of final enactment.

Sec. 2. Minnesota Statutes 2021 Supplement, section 297A.99, subdivision 2, is amended to read:

Subd. 2. **Local resolution before application for authority.** (a) ~~Before the governing body of a political subdivision requests legislative approval to impose a local sales tax authorized by a special law, it shall adopt a resolution indicating its approval of the tax. The resolution must include the following information:~~ The governing body of a political subdivision seeking legislative approval to either impose a new local sales tax authorized by special law or modify an existing local sales tax authorized by special law must adopt a resolution indicating its approval of the tax each year it requests legislative approval. The resolution must include the following information:

(1) the proposed tax rate;

(2) a detailed description of no more than five capital projects that will be funded with revenue from the tax;

(3) documentation of the regional significance of each project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside of the jurisdiction;

(4) the amount of local sales tax revenue that would be used for each project and the estimated time needed to raise that amount of revenue; ~~and~~

(5) the total revenue that will be raised for all projects before the tax expires, and the estimated length of time that the tax will be in effect if all proposed projects are funded~~.~~; and

(6) a description of the nexus between the nonresident users of a project and the payment of the tax, as required in paragraph (e).

(b) The jurisdiction ~~seeking authority to impose a local sales tax by special law~~ must submit the resolution in paragraph (a) along with underlying documentation indicating how the benefits under paragraph (a), clause (3), were determined, to the chairs and ranking minority members of the ~~legislative~~ committees of the house of representatives and senate with jurisdiction over taxes no later than January 31 of ~~the~~ each year in which the jurisdiction is seeking a special law authorizing or modifying the tax. The jurisdiction must submit an amended resolution if, after meeting the requirements of this paragraph, the jurisdiction seeks to:

(1) add a project that will be funded with the revenue from the tax;

(2) increase the amount that will be used for any project;

(3) increase the total revenue raised for all projects before the tax expires; or

(4) increase the estimated length of time that the tax will be in effect if all proposed projects are funded.

(c) The special legislation granting or modifying local sales tax authority is not required to allow funding for all projects listed in the resolution with the revenue from the local sales tax, but must not include any projects not contained in the resolution.

(d) For purposes of this section, a "capital project" or "project" means:

(1) a single building or structure including associated infrastructure needed to safely access or use the building or structure;

(2) improvements within a single park or named recreation area; or

(3) a contiguous trail.

(e) The resolution required in paragraph (a) must also include a description of the nexus between the nonresident users of a project and the payment of tax. Nexus requires that two of the following requirements are met:

(1) a significant number of the users of the project will be nonresidents of the political subdivision imposing the tax;

(2) the project includes a unique or uncommon characteristic;

(3) the project is part of a regional or statewide network or system for providing facilities or services;

(4) the project promotes an activity having a duration long enough to encourage retail activity incident to the project, in the political subdivision imposing the tax; and

(5) the project includes improvements or amenities to facilities that increase the project's capacity to serve visitors at a volume that exceeds the capacity for facilities that serve a local population, including but not limited to heating, ventilation, and air conditioning systems, parking facilities, including accessibility upgrades, and other improvements necessary for compliance with state building codes for the improved facilities.

EFFECTIVE DATE. This section is effective for local sales tax proposals submitted for legislative approval after the day of final enactment.

Sec. 3. Minnesota Statutes 2020, section 297A.99, subdivision 3, is amended to read:

Subd. 3. **Legislative authority required before voter approval; requirements for adoption, use, termination.** (a) A political subdivision must receive legislative authority to impose or modify a local sales tax before submitting the tax for approval by voters of the political subdivision. Imposition or modification of a local sales tax is subject to approval by voters of the political subdivision at a general election. The election must be conducted ~~at a general election~~ on the first Tuesday after the first Monday in November within the two-year period after the governing body of the political subdivision has received authority to impose or modify the tax. If the authorizing legislation ~~allows~~ authorizes or modifies the tax ~~to be imposed~~ for more than one project, there must be a separate question approving the use of the tax revenue for each project. Notwithstanding the authorizing legislation or special law modifying the tax, a project that is not approved by the voters may not be funded with the local sales tax revenue and the termination date of the tax set in the authorizing legislation or special law modifying the tax must be reduced proportionately based on the share of that project's cost to the total costs of all projects included in the authorizing legislation or special law modifying the tax.

(b) The proceeds of the tax must be dedicated exclusively to payment of the construction and rehabilitation costs and associated bonding costs related to the specific capital improvement projects that were approved by the voters under paragraph (a).

(c) The tax must terminate after the revenues raised are sufficient to fund the projects approved by the voters under paragraph (a).

(d) After a sales tax imposed by a political subdivision has expired or been terminated, the political subdivision is prohibited from imposing a local sales tax for a period of one year.

(e) Notwithstanding paragraph (a), if a political subdivision received voter approval to seek authority for a local sales tax at the November 6, 2018, general election and is granted authority to impose a local sales tax before January 1, 2021, the tax may be imposed without an additional referendum provided that it meets the requirements of subdivision 2 and the list of specific projects contained in the resolution does not conflict with the projects listed in the approving referendum.

(f) If a tax is terminated because sufficient revenues have been raised, any amount of tax collected under subdivision 9, after sufficient revenues have been raised and before the quarterly termination required under subdivision 12, paragraph (a), that is greater than the average quarterly revenues collected over the immediately preceding 12 calendar months must be retained by the commissioner for deposit in the general fund.

EFFECTIVE DATE. This section is effective for local sales tax proposals submitted for legislative approval after the day of final enactment.

Sec. 4. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections 11, 12, and 13, is amended by adding a subdivision to read:

Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Rochester may extend the sales and use tax of one-half of one percent authorized under subdivision 1, paragraph (a), for the purposes specified in subdivision 3a. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 5. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections 11, 12, and 13, is amended by adding a subdivision to read:

Subd. 3a. **Use of sales and use tax revenues; additional projects.** The revenues derived from the extension of the tax authorized under subdivision 1a must be used by the city of Rochester to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d), $50,000,000, plus associated bonding costs for street reconstruction;

(2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d), $40,000,000, plus associated bonding costs for flood control and water quality;

(3) $65,000,000, plus associated bonding costs for a Regional Community and Recreation Complex; and

(4) additional project costs for the projects described in clauses (1) to (3), provided that sufficient revenue from the tax has been received to pay for the project costs in clauses (1) to (3) and to pay the costs related to issuance of any bonds under subdivision 4a, paragraph (b).

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 6. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections 11, 12, and 13, is amended by adding a subdivision to read:

Subd. 4a. **Bonding authority; additional projects and extension of tax.** (a) The city of Rochester may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 3a and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The bonds may be paid from or secured by any funds available to the city of Rochester, including the tax authorized under subdivision 1a and the full faith and credit of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The aggregate principal amount of bonds issued under this subdivision for the projects described in subdivision 3a, clauses (1) to (3), may not exceed $155,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds.

(c) The bonds are not included in computing any debt limitation applicable to the city of Rochester, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 7. Laws 1998, chapter 389, article 8, section 43, subdivision 5, as amended by Laws 2005, First Special Session chapter 3, article 5, section 30, Laws 2011, First Special Session chapter 7, article 4, section 7, and Laws 2013, chapter 143, article 10, section 13, is amended to read:

Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire at the later of (1) December 31, 2009, or (2) when the city council determines that sufficient funds have been received from the taxes to finance the first $71,500,000 of capital expenditures and bonds for the projects authorized in subdivision 3, including the amount to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the projects under subdivision 4, unless the taxes are extended as allowed in paragraph (b). Any funds remaining after completion of the project and retirement or redemption of the bonds shall also be used to fund the projects under subdivision 3. The taxes imposed under subdivisions 1 and 2 may expire at an earlier time if the city so determines by ordinance.

(b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, extend the taxes authorized in subdivisions 1 and 2 beyond December 31, 2009, if approved by the voters of the city at a special election in 2005 or the general election in 2006. The question put to the voters must indicate that an affirmative vote would allow up to an additional $40,000,000 of sales tax revenues be raised and up to $40,000,000 of bonds to be issued above the amount authorized in the June 23, 1998, referendum for the projects specified in subdivision 3. If the taxes authorized in subdivisions 1 and 2 are extended under this paragraph, the taxes expire when the city council determines that sufficient funds have been received from the taxes to finance the projects and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the projects under subdivision 4. Any funds remaining after completion of the project and retirement or redemption of the bonds may be placed in the general fund of the city.

(c) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, extend the taxes authorized in subdivisions 1, paragraph (a), and 2, up to December 31, 2049, provided that all additional revenues above those necessary to fund the projects and associated financing costs listed in subdivision 3, paragraphs (a) to (e), are committed to fund public infrastructure projects contained in the development plan adopted under Minnesota Statutes, section 469.43, including all financing costs; otherwise the taxes terminate when the city council determines that sufficient funds have been received from the taxes to finance expenditures and bonds for the projects authorized in subdivision 3, paragraphs (a) to (e), plus an amount equal to the costs of issuance of the bonds and including the amount to prepay or retire at maturity the principal, interest, and premiums due on any bonds issued for the projects under subdivision 4.

(d) The tax imposed under subdivision 1, paragraph (b), expires at the earlier of December 31, 2049, or when the city council determines that sufficient funds have been raised from the tax plus all other city funding sources authorized in this article to meet the city obligation for financing the public infrastructure projects contained in the development plan adopted under Minnesota Statutes, section 469.43, including all financing costs.

(e) The tax imposed under subdivision 1a expires at the earlier of (1) 16-1/2 years after first imposed, or (2) when the city council determines that the amount of revenues received from the tax is sufficient to pay for the project costs authorized under subdivision 3a for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds under subdivision 4a, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. Laws 2008, chapter 366, article 7, section 17, is amended to read:

Sec. 17. **COOK COUNTY; LODGING ~~AND ADMISSIONS TAXES~~ TAX.**

Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the Board of Commissioners of Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed under that section and this provision must not exceed four percent.

~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the Board of Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on admissions to entertainment and recreational facilities and rental of recreation equipment.~~

Subd. 3. **Use of taxes.** The ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision 1 ~~and 2~~ must be used to fund a new Cook County Event and Visitors Bureau as established by the Board of Commissioners of Cook County. The Board of Commissioners of Cook County must annually review the budget of the Cook County Event and Visitors Bureau. The event and visitors bureau may not receive revenues raised from the ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision 1 ~~and 2~~ until the board of commissioners approves the annual budget.

Subd. 4. **Termination.** The ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision 1 ~~and 2 terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

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

Sec. 9. Laws 2011, First Special Session chapter 7, article 4, section 14, is amended to read:

Sec. 14. **CITY OF MARSHALL; SALES AND USE TAX.**

Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of Marshall, if approved by the voters at a general election held within two years of the date of final enactment of this section, may impose the tax authorized under subdivision 2. Two separate ballot questions must be presented to the voters, one for each of the two facility projects named in subdivision 3.

Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance, or city charter, after payment of the bonds authorized under subdivision 4, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Marshall may extend the sales and use tax of one-half of one percent authorized under subdivision 2 for the purposes specified in subdivision 3a. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 3. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and administering the sales and use tax and to pay all or part of the costs of the new and existing facilities of the Minnesota Emergency Response and Industry Training Center and all or part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports Center. Authorized expenses include, but are not limited to, acquiring property, predesign, design, and paying construction, furnishing, and equipment costs related to these facilities and paying debt service on bonds or other obligations issued by the city of Marshall under subdivision 4 to finance the capital costs of these facilities.

Subd. 3a. **Use of sales and use tax revenues; aquatic center.** The revenues derived from the extension of the tax authorized under subdivision 2a must be used by the city of Marshall to pay the costs of collecting and administering the tax and paying for $16,000,000 plus associated bonding costs for the construction of a new municipal aquatic center in the city, including securing and paying debt service on bonds issued to finance the project.

Subd. 4. **Bonds.** (a) If the imposition of a sales and use tax is approved by the voters, the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds to refund bonds previously issued. The aggregate principal amount of bonds issued under this subdivision may not exceed $17,290,000, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Marshall, including the tax authorized under subdivision 2.

(b) The bonds are not included in computing any debt limitation applicable to the city of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds, is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4a. **Bonds; additional use and extension of tax.** (a) After payment of the bonds authorized under subdivision 4, the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2a and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $16,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Marshall, including the tax authorized under subdivision 2a. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 5. **Termination of taxes.** (a) The tax imposed under subdivision 2 expires at the earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines that the amount of revenues received from the tax to pay for the capital and administrative costs of the facilities under subdivision 3 first equals or exceeds the amount authorized to be spent for the facilities plus the additional amount needed to pay the costs related to issuance of the bonds under subdivision 4, including interest on the bonds. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision 2 may expire at an earlier time if the city so determines by ordinance.

(b) The tax imposed under subdivision 2a expires at the earlier of (1) 30 years after the tax under subdivision 2 is first imposed, or (2) when the city council determines that the amount of revenues received from the tax is sufficient to pay for the project costs authorized under subdivision 3a for the project approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds under subdivision 4a, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 2a may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Marshall and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 10. Laws 2019, First Special Session chapter 6, article 6, section 25, is amended to read:

Sec. 25. **CITY OF PLYMOUTH; LOCAL LODGING TAX AUTHORIZED.**

(a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the city council for the city of Plymouth may impose by ordinance a tax of up to three percent on the gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed under that section and this provision must not exceed six percent.

(b) Two-thirds of the revenue from the tax imposed under this section must be dedicated and used for capital improvements to public recreational facilities and marketing and promotion of the community, and the remaining one-third of the revenue must be used for the same purposes as a tax imposed under Minnesota Statutes, section 469.190.

~~(c) The tax imposed under this authority terminates at the earlier of: (1) ten years after the tax is first imposed; or (2) December 31, 2030.~~

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

Sec. 11. Laws 2021, First Special Session chapter 14, article 8, section 5, is amended to read:

Sec. 5. **CITY OF EDINA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Edina may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Edina to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $17,700,000 plus associated bonding costs for development of Fred Richards Park as identified in the Fred Richards Park Master Plan; ~~and~~

(2) ~~$21,600,000~~ $46,900,000 plus associated bonding costs for improvements to Braemar Park as identified in the Braemar Park Master Plan~~.~~; and

(3) capital improvement projects to the city's park and recreation system, plus associated bonding costs, provided that sufficient revenue from the tax has been received to pay for the project costs in clauses (1) and (2) and to pay the costs related to issuance of any bonds under subdivision 3, paragraph (b).

Subd. 3. **Bonding authority.** ~~(a) The city of Edina may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed: (1) $17,700,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; and (2) $21,600,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Edina, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.~~

(a) The city of Edina may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The bonds may be paid from or secured by any funds available to the city of Edina, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) For the projects described in subdivision 2, clauses (1) and (2), the aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) $17,700,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; and

(2) $46,900,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds.

~~(b)~~ (c) The bonds are not included in computing any debt limitation applicable to the city of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) ~~19~~ 17 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 12. Laws 2021, First Special Session chapter 14, article 8, section 7, is amended to read:

Sec. 7. **CITY OF GRAND RAPIDS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Grand Rapids may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Grand Rapids to pay the costs of collecting and administering the tax including securing and paying debt service on bonds issued and to finance up to ~~$5,980,000~~ $10,600,000 for reconstruction, remodeling, and upgrades to the Grand Rapids IRA Civic Center. Authorized costs include design, construction, reconstruction, mechanical upgrades, and engineering costs, as well as the associated bond costs for any bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) The city of Grand Rapids may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed ~~$5,980,000~~ $10,600,000, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Grand Rapids, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Grand Rapids, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) ~~seven~~ 12 years after the tax is first imposed; or (2) when the city council determines that it has received from this tax ~~$5,980,000~~ $10,600,000 to fund the project listed in subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city, except for funds required to be retained in the state general fund under Minnesota Statutes, section 297A.99, subdivision 3. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Grand Rapids and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 13. **CITY OF AITKIN; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Aitkin may impose by ordinance a sales and use tax of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Aitkin to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $8,300,000 plus associated bonding costs for construction of a new municipal building; and

(2) $1,000,000 plus associated bonding costs for improvements to parks and trails.

Subd. 3. **Bonding authority.** (a) The city of Aitkin may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) $8,300,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; and

(2) $1,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds.

The bonds may be paid from or secured by any funds available to the city of Aitkin, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Aitkin, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Aitkin and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 14. **CITY OF BLACKDUCK; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Blackduck may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Blackduck to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $200,000 plus associated bonding costs for improvements to a city campground;

(2) $300,000 plus associated bonding costs for improvements to a walking trail;

(3) $250,000 plus associated bonding costs for improvements to a wayside rest;

(4) $150,000 plus associated bonding costs for golf course irrigation improvements; and

(5) $100,000 plus associated bonding costs for reconstruction of a library.

Subd. 3. **Bonding authority.** (a) The city of Blackduck may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) $200,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;

(2) $300,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds;

(3) $250,000 for the project listed in subdivision 2, clause (3), plus an amount to be applied to the payment of the costs of issuing the bonds;

(4) $150,000 for the project listed in subdivision 2, clause (4), plus an amount to be applied to the payment of the costs of issuing the bonds; and

(5) $100,000 for the project listed in subdivision 2, clause (5), plus an amount to be applied to the payment of the costs of issuing the bonds.

The bonds may be paid from or secured by any funds available to the city of Blackduck, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Blackduck, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section

297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Blackduck and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 15. **CITY OF BLOOMINGTON; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Bloomington may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax authorized under subdivision 1 must be used by the city of Bloomington to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $32,000,000 plus associated bonding costs for construction of improvements and rehabilitation of the Bloomington Ice Garden and associated infrastructure;

(2) $70,000,000 plus associated bonding costs for construction of a new Community Health and Wellness Center and associated infrastructure; and

(3) $33,000,000 plus associated bonding costs for construction of an expansion to the Bloomington Center for the Arts Concert Hall and associated infrastructure.

(b)(1) For purposes of this subdivision, "associated infrastructure" includes any or all of the following activities: demolition, reconstruction, expansion, improvement, construction, or rehabilitation, related to the existing facility or the new project, or both.

(2) Associated infrastructure activities described in clause (1) include but are not limited to the following activities associated with the capital project or projects that are needed for safe access or use: facilities, roads, lighting, sidewalks, parking, landscaping, or utilities.

(3) Costs include all the costs associated with delivering the projects.

Subd. 3. **Bonding authority.** (a) The city of Bloomington may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) $32,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;

(2) $70,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds; and

(3) $33,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be applied to the payment of the costs of issuing the bonds.

The bonds may be paid from or secured by any funds available to the city of Bloomington, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Bloomington, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 16. **CITY OF BROOKLYN CENTER; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Brooklyn Center may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Brooklyn Center to pay the costs of collecting and administering the tax and to finance up to $55,000,000, plus associated bonding costs, for the renovation and expansion of the Brooklyn Center Community Center.

Subd. 3. **Bonding authority.** (a) The city of Brooklyn Center may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $55,000,000 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Brooklyn Center, including the tax authorized under subdivision 1 and the full faith and credit of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Brooklyn Center and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Brooklyn Center and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 17. **CITY OF EAST GRAND FORKS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of East Grand Forks may impose by ordinance a sales and use tax of 1.25 percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of East Grand Forks to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $15,500,000 plus associated bonding costs for reconstruction and remodeling of, and upgrades and additions to, the Civic Center Sports Complex; and

(2) $6,000,000 plus associated bonding costs for reconstruction and remodeling of, and upgrades and additions to, the VFW Memorial and Blue Line Arena.

Subd. 3. **Bonding authority.** (a) The city of East Grand Forks may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) $15,500,000 for the projects listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; and

(2) $6,000,000 for the projects listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any funds available to the city of East Grand Forks, including the tax authorized under subdivision 1 and the full faith and credit of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city of East Grand Forks and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of East Grand Forks and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 18. **CITY OF GOLDEN VALLEY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Golden Valley may impose by ordinance a sales and use tax of three-quarters of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Golden Valley to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $38,000,000 plus associated bonding costs for construction of a new public works facility; and

(2) $35,000,000 plus associated bonding costs for construction of a new public safety facility.

Subd. 3. **Bonding authority.** (a) The city of Golden Valley may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) $38,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; and

(2) $35,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any funds available to the city of Golden Valley, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city of Golden Valley, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Golden Valley and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 19. **CITY OF HENDERSON; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Henderson may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Henderson to pay the costs of collecting and administering the tax, and to finance up to $240,000 plus associated bonding costs for the Allanson's Park Campground and Trail project. Authorized project costs include improvements to trails, improvements to the park campground and related facilities, utility improvements, handicap access improvements, and other improvements related to linkage to other local trails, as well as the associated bond costs for any bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) The city of Henderson may issue bonds under Minnesota Statutes, chapter 475, to finance up to $240,000 of the portion of the costs of the project authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $240,000 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Henderson, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Henderson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 15 years after the tax is first imposed; or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Henderson and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 20. **CITY OF PROCTOR; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Proctor may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Proctor to pay the costs of collecting and administering the tax and to finance up to $3,850,000 plus associated bonding costs for construction of a new regional and statewide trail spur in the city, including securing and paying debt service on bonds issued to finance all or part of the project.

Subd. 3. **Bonding authority.** The city of Proctor may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $3,850,000, plus an amount to be applied to the payment of the costs of issuing the bonds.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Proctor and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 21. **RICE COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, Rice County may impose by ordinance a sales and use tax of three-eighths of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by Rice County to pay the costs of collecting and administering the tax and paying for up to $77,000,000 plus associated bonding costs for construction of a public safety facility in the county, including associated bond costs for any bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) Rice County may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $77,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to Rice County, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to Rice County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years after being first imposed, or (2) when the county board of commissioners determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Rice County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 22. **CITY OF ROSEVILLE; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Roseville may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Roseville to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $42,000,000 plus associated bonding costs for construction of a new maintenance facility;

(2) $7,000,000 plus associated bonding costs for construction of a new license and passport center; and

(3) $16,000,000 plus associated bonding costs for construction of a pedestrian bridge.

Subd. 3. **Bonding authority.** (a) The city of Roseville may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed:

(1) $42,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;

(2) $7,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds; and

(3) $16,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be applied to the payment of the costs of issuing the bonds.

The bonds may be paid from or secured by any funds available to the city of Roseville, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Roseville, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 16 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Roseville and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 23. **WINONA COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, Winona County may impose, by ordinance, a sales and use tax of one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by Winona County to pay the costs of collecting and administering the tax, and to finance up to $28,000,000 plus associated bonding costs for construction of a new correctional facility or upgrades to an existing correctional facility, as well as the associated bond costs for any bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) Winona County may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $28,000,000, plus an amount applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that it has received from this tax $28,000,000 to fund the project listed in subdivision 2, plus an amount sufficient to pay costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed under subdivision 1 may expire at an earlier time if the county determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Winona County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 24. **CITY OF WOODBURY; LOCAL LODGING TAX AUTHORIZED.**

Notwithstanding the disposition of proceeds requirement in Minnesota Statutes, section 469.190, subdivision 3, or any other provision of law, ordinance, or city charter, the city council for the city of Woodbury may by ordinance dedicate two-thirds of the revenue derived from a tax imposed under Minnesota Statutes, section 469.190, to be used for capital improvements to public recreational facilities. The remaining one-third must be used as required under Minnesota Statutes, section 469.190, subdivision 3.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Woodbury and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 8
RENTER'S TAX CREDIT

Section 1. Minnesota Statutes 2020, section 270B.12, subdivision 8, is amended to read:

Subd. 8. **County assessors; homestead classification and ~~renter~~ renter's credit.** The commissioner may disclose names and Social Security numbers of individuals who have applied for both homestead classification under section 273.13 and a ~~property tax refund as a renter under chapter 290A~~ renter's credit under section 290.0693 for the purpose of and to the extent necessary to administer section 290A.25.

EFFECTIVE DATE. This section is effective for credits based on rent paid after December 31, 2021.

Sec. 2. Minnesota Statutes 2020, section 289A.38, subdivision 4, is amended to read:

Subd. 4. **Property tax refund.** For purposes of computing the limitation under this section, the due date of the property tax refund return as provided for in chapter 290A is the due date for an income tax return covering ~~the year in which the rent was paid or~~ the year preceding the year in which the property taxes are payable.

EFFECTIVE DATE. This section is effective for credits based on rent paid after December 31, 2021.

Sec. 3. Minnesota Statutes 2020, section 289A.56, subdivision 6, is amended to read:

Subd. 6. **Property tax refunds under chapter 290A.** ~~(a) When a renter is owed a property tax refund, an unpaid refund bears interest after August 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.~~

~~(b)~~ When ~~any other~~ a claimant is owed a property tax refund under chapter 290A, the unpaid refund bears interest after September 29, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

EFFECTIVE DATE. This section is effective for credits based on rent paid after December 31, 2021.

Sec. 4. Minnesota Statutes 2020, section 289A.60, subdivision 12, is amended to read:

Subd. 12. **Penalties relating to property tax refunds.** (a) If it is determined that a property tax refund claim is excessive and was negligently prepared, a claimant is liable for a penalty of ten percent of the disallowed claim. If the claim has been paid, the amount disallowed must be recovered by assessment and collection.

(b) An owner who without reasonable cause fails to give a certificate of rent constituting property tax to a renter, as required by ~~section~~ sections 290.0693, subdivision 4, and 290A.19, paragraph (a), is liable to the commissioner for a penalty of $100 for each failure.

(c) If the owner or managing agent knowingly gives rent certificates that report total rent constituting property taxes in excess of the amount of actual rent constituting property taxes paid on the rented part of a property, the owner or managing agent is liable for a penalty equal to the greater of (1) $100 or (2) 50 percent of the excess that is reported. An overstatement of rent constituting property taxes is presumed to be knowingly made if it exceeds by ten percent or more the actual rent constituting property taxes.

EFFECTIVE DATE. This section is effective for credits based on rent paid after December 31, 2021.

Sec. 5. **[290.0693] RENTER'S CREDIT.**

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

(b) "Dependent" means any individual who is considered a dependent under sections 151 and 152 of the Internal Revenue Code.

(c) "Disability" has the meaning given in section 290A.03, subdivision 10.

(d) "Exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b).

(e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. The gross rent of a resident of a nursing home or intermediate care facility is $530 per month. The gross rent of a resident of an adult foster care home is $830 per month. The commissioner shall annually adjust the amounts in this paragraph as provided in section 270C.22. The statutory year is 2022. If the landlord and tenant have not dealt with each other at arm's length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

(f) "Homestead" has the meaning given in section 290A.03, subdivision 6.

(g) "Household" has the meaning given in section 290A.03, subdivision 4.

(h) "Household income" means all income received by all persons of a household in a taxable year while members of the household, other than income of a dependent.

(i) "Income" means adjusted gross income, minus:

(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the taxpayer's fifth dependent, the exemption amount; and

(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or before the close of the taxable year, the exemption amount.

(j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim for a credit under this section by the claimant. If an individual occupies a homestead with another person or persons not related to the individual as the individual's spouse or as dependents, and the other person or persons are residing at the homestead under a rental or lease agreement with the individual, the amount of rent constituting property tax for the individual equals that portion not covered by the rental agreement.

Subd. 2. **Credit allowed; refundable.** (a) An individual is allowed a credit against the tax due under this chapter equal to the amount that rent constituting property taxes exceeds the percentage of the household income of the claimant specified in subdivision 3 in the taxable year in which the rent was paid as specified in that subdivision.

(b) If the amount of credit which a taxpayer is eligible to receive under this section exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the excess to the taxpayer.

Subd. 3. **Renters.** (a) A taxpayer whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the co-payment of the remaining amount of rent constituting property taxes. The credit under subdivision 2 equals the amount of rent constituting property taxes that remain, up to the maximum credit amount shown below.

Household Income	Percent of Income	Co-payment	Maximum Credit
$0 to 5,879	1.0 percent	5 percent	$2,400
5,880 to 7,809	1.0 percent	10 percent	$2,400
7,810 to 9,769	1.1 percent	10 percent	$2,330
9,770 to 13,699	1.2 percent	10 percent	$2,280
13,700 to 17,609	1.3 percent	15 percent	$2,210
17,610 to 19,559	1.4 percent	15 percent	$2,150
19,560 to 21,499	1.4 percent	20 percent	$2,100
21,500 to 25,429	1.5 percent	20 percent	$2,030
25,430 to 27,379	1.6 percent	20 percent	$1,980
27,380 to 29,329	1.7 percent	25 percent	$1,980
29,330 to 33,249	1.8 percent	25 percent	$1,980
33,250 to 35,189	1.9 percent	30 percent	$1,980
35,190 to 41,059	2.0 percent	30 percent	$1,980
41,060 to 46,919	2.0 percent	35 percent	$1,980
46,920 to 54,759	2.0 percent	40 percent	$1,980
54,760 to 56,699	2.0 percent	45 percent	$1,800
56,700 to 58,669	2.0 percent	45 percent	$1,620
58,670 to 60,629	2.0 percent	45 percent	$1,370
60,630 to 62,569	2.0 percent	50 percent	$1,190
62,570 to 64,539	2.0 percent	50 percent	$1,080
64,540 to 66,489	2.0 percent	50 percent	$600
66,490 to 68,439	2.0 percent	50 percent	$230

The credit is the amount calculated under this subdivision. No credit is allowed if the taxpayer's household income is $68,440 or more.

(b) The commissioner must annually adjust the dollar amounts of the income thresholds and the maximum refunds in paragraph (a), as provided in section 270C.22. The statutory year is 2022.

(c) The commissioner shall construct and make available to taxpayers a comprehensive table showing the rent constituting property taxes to be paid and refund allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums, and other provisions specified in paragraph (a), except that the commissioner may graduate the transition between income brackets. All refunds shall be computed in accordance with tables prepared and issued by the commissioner.

Subd. 4. **Owner or managing agent to furnish rent certificate.** (a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the owner or managing agent may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

(b) The commissioner may require the owner or managing agent, through a simple process, to furnish to the commissioner on or before March 1 a copy of each certificate of rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe the content, format, and manner of the form pursuant to section 270C.30. The commissioner may require the Social Security number, individual taxpayer identification number, federal employer identification number, or Minnesota taxpayer identification number of the owner or managing agent who is required to furnish a certificate of rent paid under this paragraph. Before implementation, the commissioner, after consulting with representatives of owners or managing agents, shall develop an implementation and administration plan for the requirements of this paragraph that attempts to minimize financial burdens, administration and compliance costs, and takes into consideration existing systems of owners and managing agents.

Subd. 5. **Eligibility; residency.** (a) A taxpayer is eligible for the credit under this section if the taxpayer is an individual, other than a dependent, as defined under sections 151 and 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue Code, who filed for a credit and who was a resident of this state during the taxable year for which the credit was claimed.

(b) In the case of a credit for rent constituting property taxes of a part-year Minnesota resident, the household income and rent constituting property taxes reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid that may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation.

(c) When two individuals of a household are able to meet the qualifications to claim a credit under this section, the individuals may determine among them as to which individual may claim the credit. If the individuals are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final.

(d) To claim a credit under this section, the taxpayer must have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the taxable year for which the taxpayer claimed the credit.

Subd. 6. **Residents of nursing homes, intermediate care facilities, long-term care facilities, or facilities accepting housing support payments.** (a) A taxpayer must not claim a credit under this section if the taxpayer is a resident of a nursing home, intermediate care facility, long-term residential facility, or a facility that accepts housing support payments whose rent constituting property taxes is paid pursuant to the Supplemental Security Income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, or the housing support program under chapter 256I.

(b) If only a portion of the rent constituting property taxes is paid by these programs, the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction, the numerator of which is adjusted gross income, reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program and the denominator of which is adjusted gross income, plus vendor payments under the medical assistance program, to determine the allowable credit.

(c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing home, intermediate care facility, long-term residential facility, or facility for which the rent was paid for the claimant by the housing support program for only a portion of the taxable year covered by the claim, the taxpayer may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home or facility and may use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the taxpayer was not in the facility. The taxpayer's household income is the income for the entire taxable year covered by the claim.

Subd. 7. **Credit for unmarried taxpayers residing in the same household.** If a homestead is occupied by two or more renters who are not married to each other, the rent shall be deemed to be paid equally by each renter, and separate claims shall be filed by each renter. The income of each renter shall be each renter's household income for purposes of computing the amount of credit to be allowed.

Subd. 8. **One claimant per household.** Only one taxpayer per household per year is entitled to claim a credit under this section. In the case of a married taxpayer filing a separate return, only one spouse may claim the credit under this section. The credit amount for the spouse that claims the credit must be calculated based on household income and not solely on the income of the spouse.

Subd. 9. **Proof of claim.** (a) Every taxpayer claiming a credit under this section shall supply to the commissioner of revenue, in support of the claim, proof of eligibility under this section, including but not limited to amount of rent paid, name and address of owner or managing agent of property rented, changes in household membership, and household income.

(b) Taxpayers with a disability shall submit proof of disability in the form and manner as the commissioner prescribes. The department may require examination and certification by the taxpayer's physician or by a physician designated by the commissioner. The cost of any examination shall be borne by the taxpayer, unless the examination proves the disability, in which case the cost of the examination shall be borne by the commissioner.

(c) A determination of disability of a taxpayer by the Social Security Administration under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

Subd. 10. **No relief allowed in certain cases.** No claim for a credit under this section shall be allowed if the commissioner determines that the claimant received tenancy to the homestead primarily for the purpose of receiving a credit under this section and not for bona fide residence purposes.

Subd. 11. **Appropriation.** The amount necessary to pay the refunds under this section is appropriated from the general fund to the commissioner.

Subd. 12. **Simplified filing for individuals without an income tax liability.** The commissioner of revenue must establish a simplified filing process through which a taxpayer who did not file an individual income tax return due to a lack of tax liability may file a return to claim the credit under this section. The filing process and forms may be in the form or manner determined by the commissioner, but must be designed to reduce the complexity of the filing process and the time needed to file for individuals without an income tax liability.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2021.

Sec. 6. Minnesota Statutes 2020, section 290A.02, is amended to read:

290A.02 PURPOSE.

The purpose of this chapter is to provide property tax relief to certain persons who own ~~or rent~~ their homesteads.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 7. Minnesota Statutes 2021 Supplement, section 290A.03, subdivision 3, is amended to read:

Subd. 3. **Income.** (a) "Income" means the sum of the following:

(1) federal adjusted gross income as defined in the Internal Revenue Code; and

(2) the sum of the following amounts to the extent not included in clause (1):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, Supplemental Security Income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1995;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for the claimant and spouse;

(xii) to the extent not included in federal adjusted gross income, distributions received by the claimant or spouse from a traditional or Roth style retirement account or plan;

(xiii) nontaxable scholarship or fellowship grants;

(xiv) alimony received to the extent not included in the recipient's income;

(xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue Code;

(xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue Code; and

(xvii) the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(b) "Income" does not include:

(1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

(2) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(3) to the extent included in federal adjusted gross income, amounts contributed by the claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed the retirement base amount reduced by the amount of contributions excluded from federal adjusted gross income, but not less than zero;

(4) surplus food or other relief in kind supplied by a governmental agency;

(5) relief granted under this chapter;

(6) child support payments received under a temporary or final decree of dissolution or legal separation;

(7) restitution payments received by eligible individuals and excludable interest as defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16;

(8) alimony paid; or

(9) veterans disability compensation paid under title 38 of the United States Code.

(c) The sum of the following amounts may be subtracted from income:

(1) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(2) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(3) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the claimant's fifth dependent, the exemption amount; and

(6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or before December 31 of the year for which the taxes were levied ~~or rent paid~~, the exemption amount.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b), for the taxable year for which the income is reported;

(2) "retirement base amount" means the deductible amount for the taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard to whether the claimant or spouse claimed a deduction; and

(3) "traditional or Roth style retirement account or plan" means retirement plans under sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 8. Minnesota Statutes 2020, section 290A.03, subdivision 6, is amended to read:

Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 22, except for agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to the house and garage and immediately surrounding one acre of land. The homestead may be owned ~~or rented and may be~~ as a part of a multidwelling or multipurpose building and the land on which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed as personal property may be a dwelling for purposes of this subdivision.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 9. Minnesota Statutes 2020, section 290A.03, subdivision 8, is amended to read:

Subd. 8. **Claimant.** ~~(a)~~ "Claimant" means a person, other than a dependent, as defined under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3) of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.

~~(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.~~

~~(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, long term residential facility, or a facility that accepts housing support payments whose rent constituting property taxes is paid pursuant to the Supplemental Security Income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, or the housing support program under chapter 256I.~~

~~If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b), plus vendor payments under the medical assistance program, to determine the allowable refund pursuant to this chapter.~~

~~(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility, long term residential facility, or facility for which the rent was paid for the claimant by the housing support program for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home or facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.~~

~~(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rent reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final.~~ If a homestead property owner was a part-year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

~~(f) If a homestead is occupied by two or more renters, who are not married to each other, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be each renter's household income for purposes of computing the amount of credit to be allowed.~~

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 10. Minnesota Statutes 2020, section 290A.03, subdivision 12, is amended to read:

Subd. 12. **Gross rent.** (a) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a site on which a homestead, ~~exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not~~ which is a manufactured home as defined in section 273.125, subdivision 8, including a manufactured home located in a manufactured home community owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012, subdivision 9, is located.

~~(b) The gross rent of a resident of a nursing home or intermediate care facility is $500 per month. The gross rent of a resident of an adult foster care home is $780 per month. The commissioner shall annually adjust the amounts in this paragraph as provided in section 270C.22. The statutory year is 2018.~~

~~(c)~~ (b) If the landlord and tenant have not dealt with each other at arm's length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

~~(d)~~ (c) Any amount paid by a claimant residing in property assessed pursuant to section 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property ~~shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6~~ shall be included within the term "property taxes payable" as defined in subdivision 13, to the extent allowed, notwithstanding the fact that ownership is not in the name of the claimant.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 11. Minnesota Statutes 2020, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. **Refund.** A refund shall be allowed each claimant in the amount that property taxes payable ~~or rent constituting property taxes~~ exceed the percentage of the household income of the claimant specified in subdivision 2 ~~or 2a~~ in the year for which the taxes were levied ~~or in the year in which the rent was paid~~ as specified in subdivision 2 ~~or 2a~~. If the amount of property taxes payable ~~or rent constituting property taxes~~ is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 ~~or 2a~~ in the year for which the taxes were levied ~~or in the year in which the rent was paid~~, the claimant shall not be eligible for a state refund pursuant to this section.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 12. Minnesota Statutes 2020, section 290A.04, subdivision 4, is amended to read:

Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refunds under ~~subdivisions~~ subdivision 2 ~~and 2a~~ as provided in section 270C.22. The statutory year is 2018.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 13. Minnesota Statutes 2020, section 290A.05, is amended to read:

290A.05 COMBINED HOUSEHOLD INCOME; RENTAL AGREEMENTS AND REDUCTION OF PROPERTY TAXES PAYABLE.

(a) If a person occupies a homestead with another person not related to the person as the person's spouse, excluding dependents, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. For purposes of this section, "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead and does not have an ownership interest in the homestead.

(b) If a person occupies a homestead with another person or persons not related to the person as the person's spouse or as dependents, ~~the property tax payable or rent constituting property tax shall be reduced as follows.~~

~~If~~ and the other person or persons are residing at the homestead under a rental or lease agreement with the homeowner, the amount of property tax payable ~~or rent constituting property tax shall be~~ equals that portion not covered by the rental agreement.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and property taxes payable in 2023, and following years.

Sec. 14. Minnesota Statutes 2020, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. **Time of payment to ~~renter or~~ manufactured home homeowner.** A claimant who is ~~a renter or~~ a homeowner who occupies a manufactured home, as defined in section 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under section 168.012, subdivision 9, shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 15. Minnesota Statutes 2020, section 290A.08, is amended to read:

290A.08 ONE CLAIMANT PER HOUSEHOLD.

Only one claimant per household per year is entitled to relief under this chapter. Payment of the claim for relief may be made payable to the spouses as one claimant. The commissioner, upon written request, may issue separate checks, to the spouses for one-half of the relief provided the original check has not been issued or has been returned. Individuals related as spouses who were married during the year may elect to file a joint claim which shall include each spouse's income~~, rent constituting property taxes,~~ and property taxes payable. Spouses who were married for the entire year and were domiciled in the same household for the entire year must file a joint claim. The maximum dollar amount allowable for a joint claim shall not exceed the amount that one person could receive.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 16. Minnesota Statutes 2020, section 290A.09, is amended to read:

290A.09 PROOF OF CLAIM.

Every claimant shall supply to the commissioner of revenue, in support of the claim, proof of eligibility under this chapter, including but not limited to amount of ~~rent paid or~~ property taxes accrued, ~~name and address of owner or managing agent of property rented,~~ changes in homestead, household membership, household income, size and nature of property claimed as a homestead.

Persons with a disability filing claims shall submit proof of disability in the form and manner as the commissioner may prescribe. The department may require examination and certification by the claimant's physician or by a physician designated by the commissioner. The cost of any examination shall be borne by the claimant, unless the examination proves the disability, in which case the cost of the examination shall be borne by the commissioner.

A determination of disability of a claimant by the Social Security Administration under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 17. Minnesota Statutes 2020, section 290A.091, is amended to read:

290A.091 CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.

The cooperative manager of a leasehold cooperative shall furnish a statement to each tenant by March 31 of the year in which the property tax is payable showing each unit's share of the gross property tax and each unit's share of any property tax credits. Each tenant may apply for a property tax refund under this chapter as a homeowner based on each tenant's share of property taxes. The tenant may not ~~include any rent constituting property taxes paid on that unit~~ claim the renter's credit under section 290.0693. For the purposes of this section, a leasehold cooperative is formed on the day that leasehold cooperative status is granted by the appropriate county official.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 18. Minnesota Statutes 2020, section 290A.13, is amended to read:

290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.

No claim for relief under this chapter shall be allowed if the commissioner determines that the claimant received title ~~or tenancy~~ to the homestead primarily for the purpose of receiving benefits under this chapter and not for bona fide residence purposes.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 19. Minnesota Statutes 2020, section 290A.19, is amended to read:

290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.

(a) The park owner ~~or managing agent of any~~ of a property for which rent is paid for occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the park owner ~~or managing agent~~ may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided

by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The park owner ~~or managing agent~~ must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

(b) The commissioner may require the park owner ~~or managing agent~~, through a simple process, to furnish to the commissioner on or before March 1 a copy of each certificate of rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe the content, format, and manner of the form pursuant to section 270C.30. Prior to implementation, the commissioner, after consulting with representatives of park owners ~~or managing agents~~, shall develop an implementation and administration plan for the requirements of this paragraph that attempts to minimize financial burdens, administration and compliance costs, and takes into consideration existing systems of park owners ~~and managing agents~~.

(c) For the purposes of this section, ~~"owner" includes~~ "park owner" means a park owner as defined under section 327C.01, subdivision 6, and "property" includes a lot as defined under section 327C.01, subdivision 3.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 20. Minnesota Statutes 2020, section 290A.25, is amended to read:

290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.

Annually, the commissioner of revenue shall furnish a list to the county assessor containing the names and Social Security numbers of persons who have applied for both homestead classification under section 273.13 and a ~~property tax refund as a renter under this chapter~~ renter's credit under section 290.0693.

Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was improperly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that has been improperly allowed. For the purpose of this section, "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county auditor shall send a notice to persons who owned the affected property at the time the homestead application related to the improper homestead was filed, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The person notified may appeal the county's determination with the Minnesota Tax Court within 60 days of the date of the notice from the county as provided in section 273.124, subdivision 13b.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of taxes and penalty to the county treasurer. The county treasurer will add interest to the unpaid homestead benefits and penalty amounts at the rate provided for delinquent personal property taxes for the period beginning 60 days after demand for payment was made until payment. If the person notified is the current owner of the property, the treasurer may add the total amount of benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property in the following year. If the person notified is not the current owner of the property, the treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A, or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent tax obligations of the person who owned the property at the time the application related to the improperly allowed homestead was filed. The treasurer may relieve a prior owner of personal liability for the benefits, penalty, interest, and costs, and instead extend those amounts on the tax lists against the property for taxes payable in the following year to the extent that the current owner agrees in writing.

Any amount of homestead benefits recovered by the county from the property owner shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the taconite property tax relief account. Any amount recovered that is attributable to supplemental homestead credit is to be transmitted to the commissioner of revenue for deposit in the general fund of the state treasury. The total amount of penalty collected must be deposited in the county general fund.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 21. Minnesota Statutes 2020, section 462A.05, subdivision 24, is amended to read:

Subd. 24. **Housing for elderly, persons with physical or developmental disabilities, and single parent families.** (a) It may engage in housing programs for low- and moderate-income elderly, persons with physical or developmental disabilities, or single parent families in the case of home sharing programs, as defined by the agency, to provide grants or loans, with or without interest, for:

(1) accessibility improvements to residences occupied by elderly persons;

(2) housing sponsors, as defined by the agency, of home sharing programs to match existing homeowners with prospective tenants who will contribute either rent or services to the homeowner, where either the homeowner or the prospective tenant is elderly, a person with physical or developmental disabilities, or the head of a single parent family;

(3) the construction of or conversion of existing buildings into structures for occupancy by the elderly that contain from three to 12 private sleeping rooms with shared cooking facilities and common space; and

(4) housing sponsors, as defined by the agency, to demonstrate the potential for home equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine the need in those equity conversions for consumer safeguards.

(b) In making the grants or loans, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. The agency may provide technical assistance to sponsors of home sharing programs or may contract or delegate the provision of the technical assistance in accordance with section 462A.07, subdivision 12.

(c) Housing sponsors who receive funding through these programs shall provide homeowners and tenants participating in a home sharing program with information regarding their rights and obligations as they relate to federal and state tax law including, but not limited to, taxable rental income, homestead classification under chapter 273, the renter's credit under section 290.0693, and the property tax refund act under chapter 290A.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

Sec. 22. **REPEALER.**

Minnesota Statutes 2020, sections 290A.03, subdivisions 9 and 11; 290A.04, subdivisions 2a and 5; and 290A.23, subdivision 1, are repealed.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2022 and following years.

ARTICLE 9
PUBLIC FINANCE

Section 1. Minnesota Statutes 2020, section 123B.61, is amended to read:

123B.61 PURCHASE OF CERTAIN EQUIPMENT.

The board of a district may issue general obligation certificates of indebtedness or capital notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes; (b) purchase computer hardware and software, without regard to its expected useful life, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer; and (c) prepay special assessments. The certificates or notes must be payable in not more than ~~ten~~ 20 years and must be issued on the terms and in the manner determined by the board~~, except that certificates or notes issued to prepay special assessments must be payable in not more than 20 years~~. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum of the tax levies under this section and section 123B.62 for each year must not exceed the lesser of the amount of the district's total operating capital revenue or the sum of the district's levy in the general and community service funds excluding the adjustments under this section for the year preceding the year the initial debt service levies are certified. The district's general fund levy for each year must be reduced by the sum of (1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes issued under this section as required by section 475.61, (2) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on bonds issued under section 123B.62, and (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or notes issued under this section or section 123B.62 after April 1, 1997, other than amounts used to pay capitalized interest. If the district's general fund levy is less than the amount of the reduction, the balance shall be deducted first from the district's community service fund levy, and next from the district's general fund or community service fund levies for the following year. A district using an excess amount in the debt redemption fund to retire the certificates or notes shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the certificates or notes.

Sec. 2. Minnesota Statutes 2020, section 366.095, subdivision 1, is amended to read:

Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates of indebtedness within the debt limits for a town purpose otherwise authorized by law. The certificates shall be payable in not more than ~~ten~~ 20 years and be issued on the terms and in the manner ~~as~~ determined by the board ~~may determine, provided that notes issued for projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years~~. If the amount of the certificates to be issued exceeds 0.25 percent of the estimated market value of the town, they shall not be issued for at least ten days after publication in a newspaper of general circulation in the town of the board's resolution determining to issue them. If within that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular town election is filed with the clerk, the certificates shall not be issued until their issuance has been approved by a majority of the votes cast on the question at a regular or special election. A tax levy shall be made to pay the principal and interest on the certificates as in the case of bonds.

Sec. 3. Minnesota Statutes 2020, section 373.01, subdivision 3, is amended to read:

Subd. 3. **Capital notes.** (a) A county board may, by resolution and without referendum, issue capital notes subject to the county debt limit to purchase capital equipment useful for county purposes that has an expected useful life at least equal to the term of the notes. The notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on the terms and in ~~a~~ the manner determined by the board ~~determines~~. A tax levy shall be made for payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds.

(b) For purposes of this subdivision, "capital equipment" means:

(1) public safety, ambulance, road construction or maintenance, ~~and~~ medical equipment, and other capital equipment; and

(2) computer hardware and software, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer hardware or software.

Sec. 4. Minnesota Statutes 2020, section 383B.117, subdivision 2, is amended to read:

Subd. 2. **Equipment acquisition; capital notes.** The board may, by resolution and without public referendum, issue capital notes within existing debt limits for the purpose of purchasing ambulance and other medical equipment, road construction or maintenance equipment, public safety equipment and other capital equipment having an expected useful life at least equal to the term of the notes issued. The notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on the terms and in ~~a~~ the manner ~~as~~ determined by the board ~~determines, provided that notes issued for projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years~~. The total principal amount of the notes issued for any fiscal year shall not exceed one percent of the total annual budget for that year and shall be issued solely for the purchases authorized in this subdivision. A tax levy shall be made for the payment of the principal and interest on such notes as in the case of bonds. For purposes of this subdivision, "equipment" includes computer hardware and software, whether bundled with machinery or equipment or unbundled. For purposes of this subdivision, the term "medical equipment" includes computer hardware and software and other intellectual property for use in medical diagnosis, medical procedures, research, record keeping, billing, and other hospital applications, together with application development services and training related to the use of the computer hardware and software and other intellectual property, all without regard to their useful life. For purposes of determining the amount of capital notes which the county may issue in any year, the budget of the county and Hennepin Healthcare System, Inc. shall be combined and the notes issuable under this subdivision shall be in addition to obligations issuable under section 373.01, subdivision 3.

Sec. 5. Minnesota Statutes 2020, section 410.32, is amended to read:

410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.

(a) Notwithstanding any contrary provision of other law or charter, a home rule charter city may, by resolution and without public referendum, issue capital notes subject to the city debt limit to purchase capital equipment.

(b) For purposes of this section, "capital equipment" means:

(1) public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment; and

(2) computer hardware and software, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer hardware and software.

(c) The equipment or software must have an expected useful life at least as long as the term of the notes.

(d) The notes shall be payable in not more than ~~ten~~ 20 years and be issued on the terms and in the manner determined by the city ~~determines, provided that notes issued for projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years~~. The total principal amount of the capital notes issued in a fiscal year shall not exceed 0.03 percent of the estimated market value of taxable property in the city for that year.

(e) A tax levy shall be made for the payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds.

(f) Notes issued under this section shall require an affirmative vote of two-thirds of the governing body of the city.

(g) Notwithstanding a contrary provision of other law or charter, a home rule charter city may also issue capital notes subject to its debt limit in the manner and subject to the limitations applicable to statutory cities pursuant to section 412.301.

Sec. 6. Minnesota Statutes 2020, section 412.301, is amended to read:

412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.

(a) The council may issue certificates of indebtedness or capital notes subject to the city debt limits to purchase capital equipment.

(b) For purposes of this section, "capital equipment" means:

(1) public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment; and

(2) computer hardware and software, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer hardware or software.

(c) The equipment or software must have an expected useful life at least as long as the terms of the certificates or notes.

(d) Such certificates or notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on ~~such~~ the terms and in ~~such~~ the manner ~~as~~ determined by the council ~~may determine, provided, however, that notes issued for projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years~~.

(e) If the amount of the certificates or notes to be issued to finance any such purchase exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall not be issued for at least ten days after publication in the official newspaper of a council resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular municipal election is filed with the clerk, such certificates or notes shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election.

(f) A tax levy shall be made for the payment of the principal and interest on such certificates or notes, in accordance with section 475.61, as in the case of bonds.

ARTICLE 10
MISCELLANEOUS

Section 1. Minnesota Statutes 2021 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches $350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches $2,377,399,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount;

(5) the amount necessary to increase the Minnesota 21st century fund by not more than the difference between $5,000,000 and the sum of the amounts credited and canceled to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum of all transfers under this section and all amounts credited or canceled under Laws 2020, chapter 71, article 1, section 11, equals $20,000,000; ~~and~~

(6) for a forecast in November only, the amount remaining after the transfer under clause (5) must be used to reduce the percentage of accelerated June liability mortgage registry, deed, sales, cigarette and tobacco, and liquor tax payments required under ~~section~~ sections 287.12, paragraph (c); 287.29, subdivision 1, paragraph (c); 289A.20, subdivision 4, paragraph (b)~~,~~; 297F.09, subdivision 10; and 297G.09, subdivision 9, until the percentage equals zero, rounded to the nearest tenth of a percent. By March 15 following the November forecast, the commissioner must provide the commissioner of revenue with the percentage of accelerated June liability owed based on the reduction required by this clause. By April 15 each year, the commissioner of revenue must certify the percentage of June liability owed by vendors, counties, and distributors based on the reduction required by this clause~~.~~; and

(7) for a forecast in November only, the amount remaining after the transfer under clause (6) must be used to decrease the percentage of the aids payable in calendar year 2023 and every year thereafter for the payments due on July 20 under section 477A.015 until the percentage equals zero, rounded to the nearest tenth of a percent. By January 15 following the November forecast, the commissioner must provide the commissioner of revenue with the percentage reduction in the payments due on July 20, based on the reductions required by this clause. By February 15 each year, the commissioner of revenue must notify local taxing jurisdictions of the percentage reduction for the payments due on July 20, based on the reduction of the payments due on July 20 required by this clause.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 2. Minnesota Statutes 2020, section 270A.03, subdivision 2, is amended to read:

Subd. 2. **Claimant agency.** "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any statutory or home rule charter city, including a city that is presenting a claim for a municipal hospital or a public library or a municipal ambulance service, a hospital district, ~~a private nonprofit hospital that leases its building from the county or city in which it is located,~~ any ambulance service licensed under chapter 144E, any public agency responsible for child support enforcement, any public agency responsible for the collection of court-ordered restitution, and any public agency established by general or special law that is responsible for the administration of a low-income housing program.

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

Sec. 3. Minnesota Statutes 2020, section 287.12, is amended to read:

287.12 TAXES, HOW APPORTIONED.

(a) All taxes paid to the county treasurer under the provisions of sections 287.01 to 287.12 must be apportioned, 97 percent to the general fund of the state, and three percent to the county revenue fund.

(b) On or before the 20th day of each month the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund the state's portion of the receipts from the mortgage registry tax during the preceding month subject to the electronic payment requirements of section 270C.42. The county treasurer shall provide any related reports requested by the commissioner of revenue.

(c) Counties must remit 100 percent of the state's portion of the June receipts collected through June 25, or a reduced percentage of the June receipts as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), and 100 percent of the estimated state's portion of the receipts to be collected during the remainder of the month or a reduced percentage of the June receipts as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), to the commissioner of revenue two business days before June 30 of each year. The remaining amount of the June receipts is due on August 20. This paragraph expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

EFFECTIVE DATE. This section is effective for remittances required after July 1, 2022.

Sec. 4. Minnesota Statutes 2020, section 287.29, is amended to read:

287.29 PAYMENT OF RECEIPTS TO STATE GENERAL FUND; REPORTS.

Subdivision 1. **Appointment and payment of tax proceeds.** (a) The proceeds of the taxes levied and collected under sections 287.21 to 287.385 must be apportioned, 97 percent to the general fund of the state, and three percent to the county revenue fund.

(b) On or before the 20th day of each month, the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund the state's portion of the receipts for deed tax from the preceding month subject to the electronic transfer requirements of section 270C.42. The county treasurer shall provide any related reports requested by the commissioner of revenue.

(c) Counties must remit 100 percent of the state's portion of the June receipts collected through June 25, or a reduced percentage of the June receipts as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), and 100 percent of the estimated state's portion of the receipts to be collected during the remainder of the month or a reduced percentage of the June receipts as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), to the commissioner of revenue two business days before June 30 of each year. The remaining amount of the June receipts is due on August 20. This paragraph expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

EFFECTIVE DATE. This section is effective for remittances required after July 1, 2022.

Sec. 5. Minnesota Statutes 2020, section 287.31, subdivision 3, is amended to read:

Subd. 3. **Underpayments of accelerated payment of June tax receipts.** (a) If a county fails to timely remit the state portion of the actual June tax receipts at the time required by section 287.12 or 287.29, the county shall pay a penalty equal to ten percent of the state portion of actual June receipts, or a reduced percentage of the June receipts as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), less the amount remitted to the commissioner of revenue in June. The penalty must not be imposed, however, if the amount remitted in June equals either:

(1) 90 percent of the state's portion of the preceding May's receipts, or a reduced percentage of the May receipts using the reduced percentage for June receipts as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6); or

(2) 90 percent of the average monthly amount of the state's portion for the previous calendar year, or a reduced percentage of the average receipts using the reduced percentage for June receipts as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6).

(b) This subdivision expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

EFFECTIVE DATE. This section is effective for remittances required after July 1, 2022.

Sec. 6. Minnesota Statutes 2020, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
~~$0 to 1,739~~ $0 to $1,939 ~~1,740 to 3,459~~	1.0 percent	15 percent	$ ~~2,770~~ 3,290
$1,940 to $3,859 ~~3,460 to 5,239~~	1.1 percent	15 percent	$ ~~2,770~~ 3,290
$3,860 to $5,849 ~~5,240 to 6,989~~	1.2 percent	15 percent	$ ~~2,770~~ 3,290
$5,850 to $7,799 ~~6,990 to 8,719~~	1.3 percent	20 percent	$ ~~2,770~~ 3,290
$7,800 to $9,729	1.4 percent	20 percent	$ ~~2,770~~ 3,290

~~8,720 to 12,219~~			
$9,730 to $13,639	1.5 percent	20 percent	$ ~~2,770~~ 3,290
~~12,220 to 13,949~~			
$13,640 to $15,569	1.6 percent	20 percent	$ ~~2,770~~ 3,290
~~13,950 to 15,709~~			
$15,570 to $17,529	1.7 percent	20 percent	$ ~~2,770~~ 3,290
~~15,710 to 17,449~~			
$17,530 to $19,479	1.8 percent	20 percent	$ ~~2,770~~ 3,290
~~17,450 to 19,179~~			
$19,480 to $21,409	1.9 percent	25 percent	$ ~~2,770~~ 3,290
~~19,180 to 24,429~~	~~2.0 percent~~		
$21,410 to $27,269	1.9 percent	25 percent	$ ~~2,770~~ 3,290
~~24,430 to 26,169~~	~~2.0 percent~~		
$27,270 to $29,209	1.9 percent	30 percent	$ ~~2,770~~ 3,290
~~26,170 to 29,669~~	~~2.0 percent~~		
$29,210 to $33,119	1.9 percent	30 percent	$ ~~2,770~~ 3,290
~~29,670 to 41,859~~		~~35 percent~~	
$33,120 to $46,719	2.0 percent	30 percent	$ ~~2,770~~ 3,290
~~41,860 to 61,049~~		~~35 percent~~	
$46,720 to $68,139	2.0 percent	30 percent	$ ~~2,240~~ 2,700
~~61,050 to 69,769~~		~~40 percent~~	
$68,140 to $77,869	2.0 percent	35 percent	$ ~~1,960~~ 2,390
~~69,770 to 78,499~~			
$77,870 to $87,619	2.1 percent	40 percent	$ ~~1,620~~ 2,010
~~78,500 to 87,219~~			
$87,620 to $97,349	2.2 percent	40 percent	$ ~~1,450~~ 1,820
~~87,220 to 95,939~~			
$97,350 to $107,079	2.3 percent	40 percent	$ ~~1,270~~ 1,620
~~95,940 to 101,179~~			
$107,080 to $112,929	2.4 percent	45 percent	$ ~~1,070~~ 1,390
~~101,180 to 104,689~~			
$112,930 to $116,849	2.5 percent	45 percent	$ ~~890~~ 1,190
~~104,690 to 108,919~~			
$116,850 to $121,569	2.5 percent	50 percent	$ ~~730~~ 1,010
~~108,920 to 113,149~~			
$121,570 to $126,289	2.5 percent	50 percent	$ ~~540~~ 800

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~$113,150~~ $126,290 or more.

EFFECTIVE DATE. This section is effective for claims based on property taxes payable in 2023 and following years.

Sec. 7. Minnesota Statutes 2020, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead increase more than ~~12~~ ten percent over the property taxes payable in the prior year on the same property that is owned and occupied by the same owner on January 2 of both years, and the amount of that increase is $100 or more, a claimant who is a homeowner shall be allowed an additional refund equal to 60 percent of the amount of the increase over the greater of ~~12~~ ten percent of the prior year's property taxes payable or $100. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes. This subdivision shall not apply to any increase in the gross property taxes payable attributable to the termination of valuation exclusions under section 273.11, subdivision 16.

The maximum refund allowed under this subdivision is ~~$1,000~~ $2,000.

(b) For purposes of this subdivision "gross property taxes payable" means property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

(d) Upon request, the appropriate county official shall make available the names and addresses of the property taxpayers who may be eligible for the additional property tax refund under this section. The information shall be provided on a magnetic computer disk. The county may recover its costs by charging the person requesting the information the reasonable cost for preparing the data. The information may not be used for any purpose other than for notifying the homeowner of potential eligibility and assisting the homeowner, without charge, in preparing a refund claim.

EFFECTIVE DATE. This section is effective for refund claims based on taxes payable in 2023 and thereafter.

Sec. 8. Minnesota Statutes 2020, section 290A.04, subdivision 4, is amended to read:

Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a as provided in section 270C.22. The statutory year for subdivision 2 is 2022. The statutory year for subdivision 2a is 2018.

EFFECTIVE DATE. This section is effective for claims based on property taxes payable in 2024 and following years.

Sec. 9. Minnesota Statutes 2021 Supplement, section 297F.09, subdivision 10, is amended to read:

Subd. 10. **Accelerated tax payment.** A cigarette distributor, tobacco products distributor, retailer, or out-of-state retailer having a liability of $250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar year 2021, the distributor shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the distributor, retailer, or out-of-state retailer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June, less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals:

(1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that calendar year or 87.5 percent of the May liability for that calendar year; or

(2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the actual June liability for that calendar year or 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the May liability for that calendar year.

(c) This subdivision expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

EFFECTIVE DATE. This section is effective for estimated payments required to be made after July 1, 2022.

Sec. 10. Minnesota Statutes 2021 Supplement, section 297G.09, subdivision 9, is amended to read:

Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter having a liability of $250,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of calendar year 2021, the taxpayer shall remit the actual May liability and 87.5 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner. Two business days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor must remit the actual May liability and 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the taxpayer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals:

(1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that calendar year or 87.5 percent of the May liability for that calendar year; or

(2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the actual June liability for that calendar year or 84.5 percent, or a reduced percentage as certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the May liability for that calendar year.

(c) This subdivision expires after the percentage of estimated payment is reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

EFFECTIVE DATE. This section is effective for estimated payments required to be made after July 1, 2022.

Sec. 11. Minnesota Statutes 2020, section 297H.13, subdivision 2, is amended to read:

Subd. 2. **Allocation of revenues.** (a) ~~$33,760,000, or 70 percent, whichever is greater,~~ Of the amounts remitted under this chapter, 73 percent in fiscal year 2023 and thereafter must be credited to the environmental fund established in section 16A.531, subdivision 1.

(b) The remainder must be deposited into the general fund.

(c) Beginning in fiscal year 2023 and continuing each year thereafter, the difference between the amount deposited in the environmental fund under paragraph (a) and the amount that would have been deposited under paragraph (a) before being amended by this act must be expended on activities listed in section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11).

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

Sec. 12. Minnesota Statutes 2020, section 298.28, subdivision 7a, is amended to read:

Subd. 7a. **Iron Range school consolidation and cooperatively operated school account.** (a) The following amounts must be allocated to the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron Range school consolidation and cooperatively operated school account that is hereby created:

(1)(i) for distributions in 2015 through ~~2023~~ 2043, ten cents per taxable ton of the tax imposed under section 298.24; and

(ii) for distributions beginning in ~~2024~~ 2044, five cents per taxable ton of the tax imposed under section 298.24;

(2) the amount as determined under section 298.17, paragraph (b), clause (3); and

(3) any other amount as provided by law.

(b) Expenditures from this account may be approved as ongoing annual expenditures and shall be made only to provide disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement as approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Board. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

(c) Beginning in fiscal year 2019, the disbursement to school districts for payments for bonds issued under section 123A.482, subdivision 9, must be increased each year to offset any reduction in debt service equalization aid that the school district qualifies for in that year, under section 123B.53, subdivision 6, compared with the amount the school district qualified for in fiscal year 2018.

(d) No expenditure under this section shall be made unless approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Board.

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

Sec. 13. Minnesota Statutes 2020, section 298.28, subdivision 9b, is amended to read:

Subd. 9b. **Taconite environmental fund.** Five cents per ton through distributions in 2043 must be paid to the taconite environmental fund for use under section 298.2961, subdivision 4. Beginning with distributions in 2044, ten cents per ton must be paid to the taconite environmental fund of which five cents per ton must be used as provided under section 298.2961, subdivision 4.

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

Sec. 14. **[428B.01] DEFINITIONS.**

Subdivision 1. **Applicability.** As used in sections 428B.01 to 428B.09, the terms in this section have the meanings given them.

Subd. 2. **Activity.** "Activity" means but is not limited to all of the following:

(1) promotion of tourism within the district;

(2) promotion of business activity, including but not limited to tourism, of businesses subject to the service charge within the tourism improvement district;

(3) marketing, sales, and economic development; and

(4) other services provided for the purpose of conferring benefits upon businesses located in the tourism improvement district that are subject to the tourism improvement district service charge.

Subd. 3. **Business.** "Business" means the type or class of lodging business that is described in the municipality's ordinance, which benefits from district activities, adopted under section 428B.02.

Subd. 4. **Business owner.** "Business owner" means a person recognized by a municipality as the owner of a business.

Subd. 5. **City.** "City" means a home rule charter or statutory city.

Subd. 6. **Clerk.** "Clerk" means the chief clerical officer of the municipality.

Subd. 7. **Governing body.** "Governing body" means, with respect to a city, a city council or other governing body of a city. With respect to a town, governing body means a town board or other governing body of a town. With respect to a county, governing body means a board of commissioners or other governing body of a county.

Subd. 8. **Impacted business owners.** "Impacted business owners" means a majority of business owners located within a proposed or established tourism improvement district.

Subd. 9. **Municipality.** "Municipality" means a county, city, or town.

Subd. 10. **Tourism improvement association.** "Tourism improvement association" means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged with promoting tourism within the tourism improvement district and that is under contract with the municipality to administer the tourism improvement district and implement the activities and improvements listed in the municipality's ordinance.

Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a tourism improvement district established under this chapter.

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

Sec. 15. **[428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

Subdivision 1. **Ordinance.** (a) Upon a petition by impacted business owners, a governing body of a municipality may adopt an ordinance establishing a tourism improvement district after holding a public hearing on the district. The ordinance must include:

(1) a map that identifies the tourism improvement district boundaries in sufficient detail to allow a business owner to determine whether a business is located within the tourism improvement district boundaries;

(2) the name of the tourism improvement association designated to administer the tourism improvement district and implement the approved activities and improvements;

(3) a list of the proposed activities and improvements in the tourism improvement district;

(4) the time and manner of collecting the service charge and any interest and penalties for nonpayment;

(5) a definition describing the type or class of businesses to be included in the tourism improvement district and subject to the service charge;

(6) the rate, method, and basis of the service charge with intent, and penalties on delinquent payments for the district, including the portion dedicated to covering expenses listed in subdivision 4, paragraph (b); and

(7) the number of years the service charge will be in effect.

(b) If the boundaries of a proposed tourism improvement district overlap with the boundaries of an existing special service district, the tourism improvement district ordinance may list measures to avoid any impediments on the ability of the special service district to continue to provide its services to benefit its property owners.

Subd. 2. **Notice.** A municipality must provide notice of the hearing by publication in at least two issues of the official newspaper of the municipality. The two publications must be two weeks apart and the municipality must hold the hearing at least three days after the last publication. Not less than ten days before the hearing, the municipality must mail, or deliver by electronic means, notice to the business owner of each business subject to the proposed service charge by the tourism improvement district. The notice must include:

(1) a map showing the boundaries of the proposed district;

(2) the time and place of the hearing;

(3) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding the proposed service charge; and

(4) a brief description of the proposed activities, improvements, and service charge.

Subd. 3. **Business owner determination.** A business must provide ownership information to the municipality. A municipality has no obligation to obtain other information regarding the ownership of businesses, and its determination of ownership shall be final for the purposes of this chapter. If this chapter requires the signature of a business owner, the signature of the authorized representative of a business owner is sufficient.

Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a service charge on a business pursuant to this chapter for the purpose of providing activities and improvements that will provide benefits to a business that is located within the tourism improvement district and subject to the tourism improvement district service charge. Each business paying a service charge within a district must benefit directly or indirectly from improvements provided by a tourism improvement association, provided, however, the business need not benefit equally. Service charges must be based on a percent of gross business revenue, a fixed dollar amount per transaction, or any other reasonable method based upon benefit and approved by the municipality.

(b) Service charges may be used to cover the costs of collections, as well as other administrative costs associated with operating, forming, or maintaining the district.

Subd. 5. **Public hearing.** At the hearing regarding the adoption of the ordinance establishing a tourism improvement district, business owners and persons affected by the proposed district may testify on issues relevant to the proposed district. The hearing may be adjourned from time to time. The ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the municipality.

Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance establishing a tourism improvement district, a person aggrieved, who is not precluded by failure to object before or at the hearing, may appeal to the district court by serving a notice on the clerk of the municipality or governing body. The validity of the tourism improvement district and the service charge imposed under this chapter shall not be contested in an action or proceeding unless the action or proceeding is commenced within 45 days after the adoption of the

ordinance establishing a tourism improvement district. The petitioner must file notice with the court administrator of the district court within ten days after its service. The clerk of the municipality must provide the petitioner with a certified copy of the findings and determination of the governing body. The court may affirm the action objected to or, if the petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on the appeal, the costs incurred shall be charged to the petitioner by the court and judgment entered for them. All objections shall be deemed waived unless presented on appeal.

Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the ordinance, the governing body must send a copy of the ordinance to the commissioner of revenue.

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

Sec. 16. **[428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING REQUIREMENT.**

Subdivision 1. **Authority.** A municipality may impose service charges authorized under section 428B.02, subdivision 4, to finance an activity or improvement in the tourism improvement district that is provided by the municipality if the activity or improvement is provided in the tourism improvement district at an increased level of service. The service charges may be imposed in the amount needed to pay for the increased level of service provided by the activity or improvement.

Subd. 2. **Annual hearing requirement; notice.** Beginning one year after the establishment of the tourism improvement district, the municipality must hold an annual public hearing regarding continuation of the service charges in the tourism improvement district. The municipality must provide notice of the hearing by publication in the official newspaper at least seven days before the hearing. The municipality must mail, or deliver by electronic means, notice of the hearing to business owners subject to the service charge at least seven days before the hearing. At the hearing, a person affected by the proposed district may testify on issues relevant to the proposed district. Within six months of the hearing, the municipality may adopt a resolution to continue imposing service charges within the district not exceeding the amount or rate expressed in the notice. For purposes of this section, the notice must include:

(1) a map showing the boundaries of the district;

(2) the time and place of the hearing;

(3) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding the proposed service charge;

(4) a brief description of the proposed activities and improvements;

(5) the estimated annual amount of proposed expenditures for activities and improvements;

(6) the rate of the service charge for the district during the year and the nature and character of the proposed activities and improvements for the district during the year in which service charges are collected;

(7) the number of years the service charge will be in effect; and

(8) a statement that the petition requirement of section 428B.07 has either been met or does not apply to the proposed service charge.

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

Sec. 17. **[428B.04] MODIFICATION OF ORDINANCE.**

Subdivision 1. **Adoption of ordinance; request for modification.** Upon written request of the tourism improvement association, the governing body of a municipality may adopt an ordinance to modify the district after conducting a public hearing on the proposed modifications. If the modification includes a change to the rate, method, and basis of imposing the service charge or the expansion of the tourism improvement district's geographic boundaries, a petition as described in section 428B.07 must be submitted by impacted business owners to initiate proceedings for modification.

Subd. 2. **Notice of modification.** A municipality must provide notice of the hearing by publication in at least two issues of the municipality's official newspaper. The two publications must be two weeks apart and the municipality must hold a hearing at least three days after the last publication. Not less than ten days before the hearing, the municipality must mail, or deliver by electronic means, notice to the business owner of each business subject to the service charge by the tourism improvement district. The notice must include:

(1) a map showing the boundaries of the district and any proposed changes to the boundaries of the district;

(2) the time and place of the hearing;

(3) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding the proposed service charge; and

(4) a brief description of the proposed modification to the ordinance.

Subd. 3. **Hearing on modification.** At the hearing regarding modification to the ordinance, business owners and persons affected by the proposed modification may testify on issues relevant to the proposed modification. Within six months after the conclusion of the hearing, the municipality may adopt the ordinance modifying the district by a vote of the majority of the governing body in accordance with the request for modification by the tourism improvement association and as described in the notice.

Subd. 4. **Objection.** If the modification of the ordinance includes the expansion of the tourism improvement district's geographic boundaries, the ordinance modifying the district may be adopted after following the notice and veto requirements in section 428B.08; however, a successful objection will be determined based on a majority of business owners who will pay the service charge in the expanded area of the district. For all other modifications, the ordinance modifying the district may be adopted following the notice and veto requirements in section 428B.08.

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

Sec. 18. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

The service charges imposed under this chapter may be collected by the municipality, tourism improvement association, or other designated agency or entity. Collection of the service charges must be made at the time and in the manner set forth in the ordinance. The entity collecting the service charges may charge interest and penalties on delinquent payments for service charges imposed under this chapter as set forth in the municipality's ordinance.

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

Sec. 19. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

Subdivision 1. **Composition and duties.** The tourism improvement association must be designated in the municipality's ordinance. The tourism improvement association shall appoint a governing board or committee composed of a majority of business owners who pay the tourism improvement district service charge, or the representatives of those business owners. The governing board or committee must manage the funds raised by the tourism improvement district and fulfill the obligations of the tourism improvement district. A tourism improvement association has full discretion to select the specific activities and improvements that are funded with tourism improvement district service charges within the authorized activities and improvements described in the ordinance.

Subd. 2. **Annual report.** The tourism improvement association must submit to the municipality an annual report for each year in which a service charge is imposed. The report must include a financial statement of revenue raised by the district. The municipality may also, as part of the enabling ordinance, require the submission of other relevant information related to the association.

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

Sec. 20. **[428B.07] PETITION REQUIRED.**

A municipality may not establish a tourism improvement district under section 428B.02 unless impacted business owners file a petition requesting a public hearing on the proposed action with the clerk of the municipality.

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

Sec. 21. **[428B.08] VETO POWER OF OWNERS.**

Subdivision 1. **Notice of right to file objections.** The effective date of an ordinance or resolution adopted under this chapter must be at least 45 days after it is adopted by the municipality. Within five days after the municipality adopts the ordinance or resolution, the municipality must mail a summary of the ordinance or resolution to each business owner subject to the service charge within the tourism improvement district in the same manner that notice is mailed, or delivered by electronic means, under section 428B.02. The mailing must include a notice that business owners subject to the service charge have the right to veto, by a simple majority, the ordinance or resolution by filing the required number of objections with the clerk of the municipality before the effective date of the ordinance or resolution and include notice that a copy of the ordinance or resolution is available for public inspection with the clerk of the municipality.

Subd. 2. **Requirements for veto.** If impacted business owners file an objection to the ordinance or resolution before the effective date of the ordinance or resolution, the ordinance or resolution does not become effective.

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

Sec. 22. **[428B.09] DISESTABLISHMENT.**

Subdivision 1. **Procedure for disestablishment.** An ordinance adopted under this chapter must provide a 30-day period each year in which business owners subject to the service charge may request disestablishment of the district. Beginning one year after establishment of the tourism improvement district, an annual 30-day period of disestablishment begins with the anniversary of the date of establishment. Upon submission of a petition from impacted business owners, the municipality may disestablish a tourism improvement district by adopting an ordinance after holding a public hearing on the disestablishment. Prior to the hearing, the municipality must publish notice of the hearing on disestablishment in at least two issues of the municipality's official newspaper. The two publications must be two weeks apart and the municipality must hold the hearing at least three days after the last publication. Not less than ten days before the hearing, the municipality must mail, or deliver by electronic means, notice to the business owner of each business subject to the service charge. The notice must include:

(1) the time and place of the hearing;

(2) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding disestablishment;

(3) the reason for disestablishment; and

(4) a proposal to dispose of any assets acquired with the revenues of the service charge imposed under the tourism improvement district.

Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district becomes effective following the notice and veto requirements in section 428B.08.

Subd. 3. **Refund to business owners.** (a) Upon the disestablishment of a tourism improvement district, any remaining revenues derived from the service charge, or any revenues derived from the sale of assets acquired with the service charge revenues, shall be refunded to business owners located and operating within the tourism improvement district in which service charges were imposed by applying the same method and basis that was used to calculate the service charges levied in the fiscal year in which the district is disestablished.

(b) If the disestablishment occurs before the service charge is imposed for the fiscal year, the method and basis that was used to calculate the service charge imposed in the immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

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

Sec. 23. **[428B.10] COORDINATION OF DISTRICTS.**

If a county establishes a tourism improvement district in a city or town under this chapter, a city or town may not establish a tourism improvement district in the part of the city or town located in the county-established district. If a city or town establishes a tourism improvement district under this chapter, a county may not establish a tourism improvement district in the part of the city or town located in the city- or town-established district.

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

Sec. 24. Minnesota Statutes 2020, section 462A.38, is amended to read:

462A.38 WORKFORCE AND AFFORDABLE HOMEOWNERSHIP DEVELOPMENT PROGRAM.

Subdivision 1. **Establishment.** A workforce and affordable homeownership development program is established to award homeownership development grants and loans to cities, counties, Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

Subd. 2. **Use of funds.** (a) Grant funds and loans awarded under this program may be used for:

(1) development costs;

(2) rehabilitation;

(3) land development; and

(4) residential housing, including storm shelters and related community facilities.

(b) A project funded through ~~the grant~~ this program shall serve households that meet the income limits as provided in section 462A.33, subdivision 5, unless a project is intended for the purpose outlined in section 462A.02, subdivision 6.

Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing applications for grants and loans under this section. The commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the program. In making grants and loans, the commissioner shall establish semiannual application deadlines in which grants and loans will be authorized from all or part of the available appropriations.

Subd. 4. **Awarding grants and loans.** Among comparable proposals, preference must be given to proposals that include contributions from nonstate resources for the greatest portion of the total development cost.

Subd. 5. **Statewide program.** The agency shall attempt to make grants and loans in approximately equal amounts to applicants outside and within the metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 6. **Report.** Beginning January 15, ~~2018~~ 2023, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over housing and workforce development specifying the projects that received grants and loans under this section and the specific purposes for which the grant or loan funds were used.

Subd. 7. **Workforce and affordable homeownership development account.** A workforce and affordable homeownership development account is established in the housing development fund. Money in the account, including interest, is appropriated to the commissioner of the Housing Finance Agency for the purposes of this section. The amount appropriated under this section must supplement traditional sources of funding for this purpose and must not be used as a substitute or to pay debt service on bonds.

Subd. 8. **Deposits; funding amount.** (a) In fiscal years 2023 to 2030, an amount equal to $10,000,000 of the state's portion of the proceeds derived from the mortgage registry tax imposed under section 287.035 and the deed tax imposed under section 287.21 is appropriated from the general fund to the commissioner of the Housing Finance Agency to transfer to the housing development fund for deposit into the workforce and affordable homeownership development account. The appropriation must be made annually by September 15.

(b) All loan repayments received under this section are to be deposited into the workforce and affordable homeownership development account in the housing development fund.

(c) This subdivision expires September 16, 2029.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 25. Minnesota Statutes 2020, section 477A.015, is amended to read:

477A.015 PAYMENT DATES.

(a) The commissioner of revenue shall annually make the payments of local government aid to affected taxing authorities in two installments. Except as provided in paragraph (b), the first installment of 50 percent, or a reduced percentage certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (7), of the payment is due on July 20 and the remaining amount of the first installment, if any, is due on March 15. The second installment of 50 percent is due on December 26 ~~annually~~.

(b) The reduced percentage certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (7), does not apply to aid payments made pursuant to sections 6.91, 162.145, 477A.13, 477A.15, and 477A.23. ~~Notwithstanding paragraph (a), for aids payable in 2019 only, the commissioner of revenue shall make payments of the aid payable under section 477A.013, subdivision 9, in three installments as follows: (1) 14.6 percent of the aid shall be paid on June 15, 2019; (2) 35.4 percent of the aid shall be paid on July 20, 2019; and (3) 50 percent of the aid shall be paid on December 26, 2019.~~

(c) When the commissioner of public safety determines that a local government has suffered financial hardship due to a natural disaster, the commissioner of public safety shall notify the commissioner of revenue, who shall make payments of aids under sections 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical after the determination is made but not before July 20.

(d) The commissioner may pay all or part of the payments of aids under sections 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a local government requests such payment as being necessary for meeting its cash flow needs.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 26. **CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

The city of Virginia may finance the construction of a public safety building in the city of Virginia by obtaining a loan from the United States Department of Agriculture secured by its general obligation pledge. Any bonds issued relating to this construction project or repayment of the loan must not be included in the computation of the city's limit on net debt under Minnesota Statutes, section 475.53, subdivision 1.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 27. **POLAR VORTEX RESPONSE; DISCLOSURE OF COSTS; REIMBURSEMENT FOR RESERVE FUNDS.**

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

(b) "Critical period" means the period beginning February 12, 2021, and ending February 17, 2021.

(c) "Impacted volume" means the volume of natural gas a utility purchased for immediate delivery in Minnesota during the critical period.

(d) "Incremental cost" means the incremental cost of natural gas purchased during the critical period, calculated by multiplying the utility's incremental price by its impacted volume.

(e) "Incremental price" means the average unit price a utility paid for natural gas purchased for immediate delivery during the critical period, minus the average natural gas unit price for wholesale natural gas the utility paid during the period between February 5, 2021, and February 10, 2021.

(f) "Utility" means a nonprofit municipal utility established under Minnesota Statutes, chapter 412, that (1) is owned by the city to which it provides service, and (2) sells natural gas to retail customers in Minnesota.

Subd. 2. **Utilities must disclose increased energy costs.** No later than July 1, 2022, a utility must calculate, for each customer to which the utility provided natural gas service during the critical period, the incremental price multiplied by the volume of natural gas consumed by the customer during the critical period. The utility must certify and forward that calculation in a written notice to each customer.

Subd. 3. **Reimbursement for reserve revenues.** A utility that paid for wholesale natural gas purchased during the critical period, in whole or in part, by drawing down accumulated reserve revenues may apply to the commissioner of commerce for a rebate equal to its incremental cost minus any payment of its incremental cost by natural gas customers. The commissioner shall require a utility to submit evidence supporting the rebate request amount with a rebate application.

Subd. 4. **Appropriation.** $20,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of commerce for the purpose of making rebates to municipal utilities under subdivision 3. This is a onetime appropriation. Any unexpended funds remaining on December 31, 2022, cancel to the general fund.

Sec. 28. **TAX CREDIT FOR EXCESS ENERGY COSTS DUE TO THE POLAR VORTEX.**

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

(b) "Excess energy costs" means the amount of energy costs disclosed to a taxpayer by a utility under section 27, subdivision 2, but is limited to amounts actually paid by the taxpayer.

(c) The definitions in section 27, subdivision 1, and Minnesota Statutes, section 290.01, apply for this section.

Subd. 2. **Credit allowed.** (a) An individual income taxpayer is allowed a credit against the tax due under Minnesota Statutes, chapter 290, equal to the amount of the taxpayer's excess energy costs.

(b) Credits allowed to a partnership, a limited liability company taxed as a partnership, or an S corporation are passed through pro rata to the partners, members, or shareholders based on their share of the entity's income for the taxable year.

Subd. 3. **Credit refundable.** (a) If the amount of credit which a taxpayer would be eligible to receive under this section exceeds the claimant's tax liability under Minnesota Statutes, chapter 290, the excess amount of the credit shall be refunded to the claimant by the commissioner of revenue.

(b) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner of revenue from the general fund.

Subd. 4. **Denial of double benefit.** For a taxpayer who deducted excess energy costs in calculating adjusted gross income and claimed the credit under this section, the amount of excess energy costs is an addition, as defined in Minnesota Statutes, section 290.0131, subdivision 1. The rules governing additions in that section apply for this subdivision.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020, and before January 1, 2022.

Sec. 29. **INCOME TAX SUBTRACTION; COVID-19 BUSINESS ASSISTANCE PROGRAMS.**

Subdivision 1. **Definitions.** For the purposes of this section:

(1) for an individual, estate, or trust, "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this section;

(2) for a corporation other than an S corporation, "subtraction" has the meaning given in Minnesota Statutes, section 290.0134, subdivision 1, and the rules in that subdivision apply for this section;

(3) the definitions in Minnesota Statutes, section 290.01, apply for this section; and

(4) "qualifying business assistance" means grants, forgivable loans, and other financial assistance to businesses by the state, county, or local government that were included in adjusted gross income, and that meet the criteria in subdivision 4.

Subd. 2. **Business assistance subtraction; individuals, estates, and trusts.** For an individual, estate, or trust, the amount of qualifying business assistance is a subtraction.

Subd. 3. **Business assistance subtraction; C corporations.** For a corporation other than an S corporation, the amount of qualifying business assistance is a subtraction.

Subd. 4. **Programs eligible for a subtraction.** Only qualifying business assistance provided under the following sections of state or federal law is considered qualifying business assistance for the purposes of this section:

(1) business assistance provided under section 30, subdivision 2;

(2) forgivable loans under Executive Order No. 20-15;

(3) small business relief grants under Laws 2020, First Special Session chapter 1, section 4;

(4) business relief payments under Laws 2020, Seventh Special Session chapter 2, article 1;

(5) grants to movie theaters and convention centers under Laws 2020, Seventh Special Session chapter 2, article 4;

(6) county relief grants to local businesses under Laws 2020, Seventh Special Session chapter 2, article 5;

(7) grants through the Main Street Economic Revitalization Program in Laws 2021, First Special Session chapter 10, article 2, section 5;

(8) main street COVID-19 relief grants under Laws 2021, First Special Session chapter 10, article 2, section 22;

(9) forgivable loans under Laws 2021, First Special Session chapter 10, article 2, section 24;

(10) financial assistance to businesses provided by a county, city, or township using funds from the Coronavirus Relief Fund under section 5001 of Public Law 116-136; or

(11) financial assistance to businesses provided by a county, city, or township using funds from the State and Local Fiscal Recovery Fund in section 9901 of Public Law 117-2.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2019.

Sec. 30. **COUNTY PANDEMIC BUSINESS AND COMMUNITY RELIEF AID; APPROPRIATION.**

Subdivision 1. **Appropriation.** (a) $75,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of revenue for payments to counties under this section. This is a onetime appropriation.

(b) Of the amount under paragraph (a), $50,000,000 must be used for payments to counties for economic assistance and aid to businesses under subdivision 2.

(c) Of the amount under paragraph (a), $25,000,000 must be used for payments to counties to provide rental assistance under subdivision 6.

(d) After June 30, 2023, a county must return any unspent funds to the commissioner of revenue, and any amounts returned cancel to the general fund.

Subd. 2. **Economic assistance and aid to local businesses.** (a) From the amount available under subdivision 1, paragraph (b), each county shall be issued a payment of a per capita amount determined by reference to the population of each county according to the most recently available 2020 population estimate from the state demographer as of January 1, 2022.

(b) A county must use funds received under paragraph (a) to provide economic assistance to underserved communities under subdivision 3, aid to businesses under subdivision 4, or aid to venues under subdivision 5. A county may use funds for one or more of the approved uses in subdivisions 3, 4, and 5, but each county must assess the degree of need in the county for assistance to underserved communities under subdivision 3. A county that determines there is a need for assistance to underserved communities must prioritize aid to businesses under that subdivision.

(c) Each county may use the greater of $6,250 or 2.5 percent of the total amount received under this subdivision for administrative costs incurred from making payments under this subdivision. A county may contract with a third party to administer the program on behalf of the county.

(d) Payments under this subdivision must be awarded by March 15, 2023.

Subd. 3. **Economic assistance to underserved communities.** (a) A county may use funds received under subdivision 2 to provide economic assistance to qualifying businesses. Economic assistance under this paragraph must be provided to qualifying businesses located in areas designated by the county as underserved communities. Economic assistance includes but is not limited to:

(1) grants, loans, or other financial assistance to businesses that pay their employees a living wage;

(2) grants, loans, or other financial assistance for maintenance and repair of commercial properties;

(3) down payment assistance for businesses seeking to purchase commercial property; or

(4) payments to commercial property owners to reduce rent costs for businesses.

(b) To provide economic assistance to businesses under paragraph (a), a county must designate census tracts representing five percent or less of the population in the county as "underserved communities." In making a designation under this subdivision, the county must consider the following characteristics of a census tract, among other considerations deemed relevant by the county:

(1) the unemployment rate;

(2) the poverty rate;

(3) the median income of the tract relative to the rest of the county; and

(4) the number of vacant commercial properties.

(c) For the purposes of this section:

(1) "qualifying business" means a business with 50 or fewer employees; and

(2) "living wage" means 150 percent of the minimum wage for large employers for 2022 under Minnesota Statutes, section 177.24.

Subd. 4. **Aid to businesses without income in 2019.** A county may use funds received under subdivision 2 to provide economic assistance to businesses that were in operation in calendar year 2020 or 2021, but not in calendar year 2019, and were ineligible to participate in a state or federal business assistance program due to the lack of operations or revenue in calendar year 2019. Economic assistance includes but is not limited to grants, loans, or any other financial assistance deemed appropriate by the county.

Subd. 5. **Aid to venues.** (a) A county may use funds received under subdivision 2 to provide grants to Minnesota-registered businesses in good standing or Minnesota-registered nonprofits in good standing that:

(1) are directly engaged in the procurement, promotion, production, or presentation of live entertainment events to an in-person audience; and

(2) experienced a decrease in revenues due to the COVID-19 pandemic.

(b) To qualify for a grant under this subdivision, a business or nonprofit must:

(1) meet the following revenue requirements:

(i) have derived at least 33 percent of its 2019 revenue from the sale of tickets for live events; or

(ii) be directly reliant on ticketed live entertainment events but not directly in receipt of those ticket revenues because the event is free to the general public and the revenue is derived from avenues other than ticket sales;

(2) employ no more than 60 full-time equivalent employees, defined as an employee who worked on average at least 30 hours per week or 130 hours per month;

(3) have been restricted from operating above 25 percent capacity or 250 attendees, whichever is less, pursuant to an executive order issued during a peacetime emergency declared regarding the infectious disease known as COVID-19;

(4) not have any current tax delinquency with the Department of Revenue at the time of application; and

(5) have its principal place of business in Minnesota.

(c) The following entities are ineligible for grants under this subdivision:

(1) bars, restaurants, and other facilities whose primary source of revenue is not entertainment events;

(2) multinational or publicly owned companies; and

(3) adult entertainment operations.

(d) Notwithstanding the requirements of paragraph (b), a county may authorize a grant to a business under this subdivision if the county determines that the business has substantially met the requirements of this subdivision, but was a new entertainment venue that had planned on opening in 2020 but was unable to begin operations based solely on the fact that COVID-19-related closures prevented the business from doing so. The business shall submit, on a form required by the county, any documentation the county deems necessary to determine whether the business applies for a discretionary grant under this subdivision.

Subd. 6. **Rental assistance payments.** (a) From the amount available under subdivision 1, paragraph (c), each county shall be issued a payment equal to the product of the amount available under subdivision 1, paragraph (c), multiplied by the number of rent-burdened households in the county, divided by the number of rent-burdened households in the state. The number of rent-burdened households shall be determined using the 2020 experimental estimates provided by the American Community Survey of the United States Census Bureau.

(b) For the purposes of this subdivision, the following terms have the meanings given:

(1) "eligible household" means a household in which household income is at or below 50 percent of area median income, as adjusted for household size;

(2) "rent-burdened household" means a household in which gross rent is 30 percent or more of household income; and

(3) "rental assistance" means payments for:

(i) rent;

(ii) rental arrears;

(iii) utilities and home energy costs;

(iv) utilities and home energy costs arrears; and

(v) other expenses related to housing incurred due, directly or indirectly, to the novel coronavirus disease COVID-19 outbreak.

(c) A county receiving a payment under this subdivision must spend at least 90 percent of the payment received to provide rental assistance to eligible households.

(d) A county receiving a payment under this subdivision may use up to ten percent of the payment received for administrative costs attributable to providing rental assistance.

(e) A county receiving aid under this subdivision may distribute the aid to a community action agency or a nonprofit to provide rental assistance to eligible households.

Subd. 7. **Grants.** Grants and the process of making grants under this section are exempt from the following statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third party to administer grants is exempt from Minnesota Statutes, section 471.345, in the selection of the third-party administrator. The exemptions under this paragraph expire on March 15, 2023.

Subd. 8. **Report.** By January 31, 2024, the commissioner of revenue shall report to the legislative committees with jurisdiction over taxes on the grants provided under this section. The report must comply with Minnesota Statutes, sections 3.195 and 3.197. By July 1, 2023, each county must report to the commissioner of revenue how the county used the funds provided under this section.

Sec. 31. **INDEPENDENT SCHOOL DISTRICT NO. 696, ELY; BONDS.**

Subdivision 1. **Authorization.** Independent School District No. 696, Ely, may issue bonds in an aggregate principal amount not exceeding $9,500,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. The district may spend the proceeds of the bond sale for those purposes and any architectural, engineering, and legal fees incidental to those purposes or the sale. Bonds may be issued under this section without a referendum. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. An election on the question of issuing the bonds is not required. A resolution of the board levying taxes for the payment of principal and interest on the bonds as authorized by this section and pledging the proceeds of the levies for the payment of principal and interest on the bonds shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475, with respect to the levying of taxes for their payment.

Subd. 2. **Levy limitations.** Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 3. **Bonding limitations.** Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 4. **Local approval required.** This section is effective for Independent School District No. 696, Ely, the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

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

Sec. 32. **DEPARTMENT OF REVENUE FREE FILING REPORT.**

(a) By January 15, 2023, the commissioner of revenue must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197, and must also provide information on free electronic filing options for preparing and filing Minnesota individual income tax returns.

(b) The commissioner must survey tax preparation software vendors for information on a free electronic preparation and filing option for taxpayers to file Minnesota individual income tax returns. The survey must request information from vendors that addresses the following concerns:

(1) system development, capability, security, and costs for consumer-based tax filing software;

(2) costs per return that would be charged to the state of Minnesota to provide an electronic individual income tax return preparation, submission, and payment remittance process;

(3) providing customer service and issue resolution to taxpayers using the software;

(4) providing and maintaining an appropriate link between the Department of Revenue and the Internal Revenue Service Modernized Electronic Filing Program;

(5) ensuring that taxpayer return information is maintained and protected as required by Minnesota Statutes, chapters 13 and 270B, Internal Revenue Service Publication 1075, and any other applicable requirements; and

(6) current availability of products for the free filing and submitting of both Minnesota and federal returns offered to customers and the income thresholds for using those products.

(c) The report by the commissioner must include at a minimum:

(1) a review of options that other states use for state electronic filing;

(2) an assessment of taxpayer needs for electronic filing, including current filing practices;

(3) an analysis of alternative options to provide free filing, such as tax credits, vendor incentives, or other benefits; and

(4) an analysis of the Internal Revenue Service Free File Program usage.

Sec. 33. **TAX EXPENDITURE PURPOSE STATEMENTS.**

Subdivision 1. **Intent.** In accordance with the requirements in Minnesota Statutes, section 3.192, the purpose and goals for the tax expenditures in this act are listed in this section.

Subd. 2. **Sales tax purpose statements.** (a) The purpose of the tax expenditure in article 3, sections 9, 11 to 15, and 19 to 27, is to reduce the cost of construction of public facilities, buildings, and infrastructure. The standard against which effectiveness is to be measured is the decrease in the growth in local property taxes and services in these communities.

(b) The purpose of the extension of the tax expenditure in article 3, section 17, is to provide grants to fund programs for schools and coaches and reduce the fee costs for student participants. The standard against which effectiveness is to be measured is the expansion and level of participation of these programs.

Subd. 3. **Income and corporate franchise tax purpose statements.** (a) The purpose of the emergency assistance for postsecondary student grants subtraction in article 2, section 12, is to provide financial support to students experiencing homelessness and extreme financial hardship. The standard against which the effectiveness of the expenditure can be measured is the reduction in the rate at which grant recipients drop out of postsecondary programs due to financial hardship.

(b) The purpose of the workforce incentive fund grants subtraction in article 2, section 13, is to recruit and retain behavioral health, housing, disability, and home and community-based older adult providers. The standard against which the effectiveness of the expenditure can be measured is the reduction in the number of job vacancies in the fields eligible for grants under Minnesota Statutes, section 256.4778.

(c) The purpose of the tax expenditure in article 2, sections 18 to 21 and 27, allowing the entirety of the credit for historic structure rehabilitation to be taken in the year property is placed in service, is to encourage investment in rehabilitating historic buildings. The standard against which effectiveness is to be measured is the increase in the number of historic rehabilitation projects in the state.

(d) The purpose of the tax expenditure in article 2, section 28, providing a subtraction for a portion of unemployment compensation, is to provide financial support to unemployed persons and to encourage economic activity in the state. The standard against which effectiveness is to be measured is the increase in after-tax income of unemployed persons and gross state product.

(e) The purpose of the tax expenditure in article 2, section 29, providing a refundable tax credit for qualifying children, is to provide financial support to families with children in the state and to reduce child poverty. The standard against which effectiveness is to be measured is the increase in after-tax income of families with qualifying children and the reduction in the child poverty rate.

(f) The purpose of the tax expenditure in article 10, section 28, providing a refundable tax credit for polar vortex energy costs, is to reduce the energy costs experienced by households due to the extreme cold temperatures in February 2021. The standard against which effectiveness is to be measured is the reduction in energy costs net of the credit that were paid in the covered period by those eligible for the credit.

(g) The purpose of the tax expenditure in article 10, section 29, providing an income tax subtraction for state and local business assistance programs, is to prevent the closure of businesses that experienced economic hardship due to the COVID-19 pandemic. The standard against which effectiveness is to be measured is the number of employees and the reduction in the closure rate for businesses receiving state and local economic assistance.

Subd. 4. **Property tax purpose statements.** (a) The provision in article 4, section 4, providing a reduction in net tax capacity for certain property at airports, is intended to reduce the tax burden on airport property located in cities with a population over 50,000 and under 150,000. The standard against which effectiveness is to be measured is the reduction in property tax burden on these properties.

(b) The provision in article 4, section 6, extending a property tax exemption for certain property owned by an Indian Tribe, is intended to reduce the tax burden on Tribe-owned property that fails to qualify for an exemption under Minnesota Statutes, section 272.02, subdivision 8. The standard against which effectiveness is to be measured is the reduction in property tax levied on Tribe-owned property.

(c) The provision in article 4, section 7, creating an elderly living facility property tax exemption, is intended to reduce the tax burden on nonprofit elderly living facilities located in a city of the first class with a population less than 110,000 that do not qualify for another property tax exemption under Minnesota Statutes, section 272.02. The standard against which effectiveness is to be measured is the reduction in property tax burden on these properties.

(d) The provision in article 4, section 8, creating a property tax exemption for energy storage systems, is intended to reduce the tax burden on energy storage systems and promote the development and use of energy storage systems in Minnesota. The standard against which effectiveness is to be measured is the reduction in property tax burden on energy storage systems and the number of energy storage systems in Minnesota.

(e) The provision in article 4, section 20, setting the classification rate of all manufactured home park property at 0.75 percent, is intended to reduce the tax burden on manufactured home parks and preserve manufactured home parks as an affordable housing option in Minnesota. The standard against which effectiveness is to be measured is the reduction in property tax burden on manufactured home parks and the number of manufactured home parks in Minnesota.

(f) The provision in article 4, section 20, setting the classification rate of certain community land trust property at 0.75 percent, is intended to reduce the tax burden on community land trust property and preserve community land trusts as an affordable option for home ownership in Minnesota. The standard against which effectiveness is to be measured is the reduction in property tax burden on community land trusts and the number of community land trust properties in Minnesota.

Sec. 34. **APPROPRIATION; DEPARTMENT OF REVENUE FREE FILING REPORT.**

$175,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of revenue for the free filing report required under section 33. This is a onetime appropriation.

ARTICLE 11
PARTNERSHIP TAXES

Section 1. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7a, is amended to read:

Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the addition provided in section 290.0131, subdivision 5, and the subtraction provided in section 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20;

(2) "qualifying entity" means a partnership, limited liability company <u>taxed as a partnership or S corporation</u>, or S corporation including a qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity does not include a partnership, limited liability company, or corporation that has a partnership, limited liability company other than a disregarded entity, or corporation as a partner, member, or shareholder; and

(3) "qualifying owner" means:

(i) a resident or nonresident individual or estate that is a partner, member, or shareholder of a qualifying entity; or

(ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an S corporation.

(b) For taxable years beginning after December 31, 2020, in which the taxes of a qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code, a qualifying entity may elect to file a return and pay the pass-through entity tax imposed under paragraph (c). The election:

(1) must be made on or before the due date or extended due date of the qualifying entity's pass-through entity tax return;

(2) may only be made by qualifying owners who collectively hold more than a 50 percent ownership interest in the qualifying entity;

(3) is binding on all qualifying owners who have an ownership interest in the qualifying entity; and

(4) once made is irrevocable for the taxable year.

(c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

(d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount of the qualifying owner's income multiplied by the highest tax rate for individuals under section 290.06, subdivision 2c. When making this determination:

(1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed; and

(2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

(e) The amount of each credit and deduction used to determine a qualifying owner's tax liability under paragraph (d) must also be used to determine that qualifying owner's income tax liability under chapter 290.

(f) This subdivision does not negate the requirement that a qualifying owner pay estimated tax if the qualifying owner's tax liability would exceed the requirements set forth in section 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's tax liability as determined under paragraph (d) is, however, satisfied when the qualifying entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated tax.

(g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the treatment of distributions, is determined as if the election to pay the pass-through entity tax under paragraph (b) is not made.

(h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a pass-through entity tax return must be treated as a composite return and a qualifying entity filing a pass-through entity tax return must be treated as a partnership filing a composite return.

(i) The provisions of subdivision 17 apply to the election to pay the pass-through entity tax under this subdivision.

(j) If a nonresident qualifying owner of a qualifying entity making the election to file and pay the tax under this subdivision has no other Minnesota source income, filing of the pass-through entity tax return is a return for purposes of subdivision 1, provided that the nonresident qualifying owner must not have any Minnesota source income other than the income from the qualifying entity, other electing qualifying entities, and other partnerships electing to file a composite return under subdivision 7. If it is determined that the nonresident qualifying owner has other Minnesota source income, the inclusion of the income and tax liability for that owner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the qualifying owner as part of the pass-through entity tax return is allowed as a payment of the tax by the qualifying owner on the date on which the pass-through entity tax return payment was made.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020.

Sec. 2. Minnesota Statutes 2021 Supplement, section 289A.382, subdivision 2, is amended to read:

Subd. 2. **Reporting and payment requirements for partnerships and tiered partners.** (a) Except for when an audited partnership makes the election in subdivision 3, and except for negative federal adjustments required under federal law taken into account by the partnership in the partnership return for the adjustment or other year, all final federal adjustments of an audited partnership must comply with paragraph (b) and each direct partner of the audited partnership, other than a tiered partner, must comply with paragraph (c).

(b) No later than 90 days after the final determination date, the audited partnership must:

(1) file a completed federal adjustments report, including all partner-level information required under section 289A.12, subdivision 3, with the commissioner;

(2) notify each of its direct partners of their distributive share of the final federal adjustments;

(3) file an amended composite report for all direct partners who were included in a composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the additional amount that would have been due had the federal adjustments been reported properly as required; ~~and~~

(4) file amended withholding reports for all direct partners who were or should have been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed year, and pay the additional amount that would have been due had the federal adjustments been reported properly as required~~.~~; and

(5) file an amended pass-through entity tax report for all direct partners who were included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the reviewed year, and pay the additional amount that would have been due had the federal adjustments been reported properly as required.

(c) No later than 180 days after the final determination date, each direct partner, other than a tiered partner, that is subject to a tax administered under this chapter, other than the sales tax, must:

(1) file a federal adjustments report reporting their distributive share of the adjustments reported to them under paragraph (b), clause (2); and

(2) pay any additional amount of tax due as if the final federal adjustment had been properly reported, plus any penalty and interest due under this chapter, and less any credit for related amounts paid or withheld and remitted on behalf of the direct partner under paragraph (b), clauses (3) and (4).

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2020.

ARTICLE 12
SALES AND USE TAXES AND SPECIAL TAXES

Section 1. Minnesota Statutes 2020, section 296A.083, subdivision 3, is amended to read:

Subd. 3. **Surcharge rate.** (a) By ~~July 16, 2008, and each April 1 thereafter~~ May 1 each year, the commissioner of revenue shall calculate and publish a surcharge as provided in ~~paragraphs~~ paragraph (b) ~~and (c)~~. The surcharge is imposed ~~from August 1, 2008, through June 30, 2009, and each new surcharge thereafter is imposed the following~~ beginning July 1 of the year it is published through June 30 of the following year.

~~(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as specified in the following surcharge rate schedule.~~

~~Surcharge Rate Schedule~~

~~Fiscal Year~~	~~Rate (in cents per gallon)~~
~~2009~~	~~0.5~~
~~2010~~	~~2.1~~
~~2011~~	~~2.5~~
~~2012~~	~~3.0~~

~~(c) For fiscal year 2013 and thereafter,~~ (b) The commissioner shall set the surcharge at the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge is rounded to the nearest 0.1 cent.

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

Sec. 2. Minnesota Statutes 2020, section 297A.61, subdivision 29, is amended to read:

Subd. 29. **State.** Unless specifically provided otherwise, "state" means any state of the United States, ~~the Commonwealth of Puerto Rico, and~~ the District of Columbia, and any territory of the United States, including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

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

ARTICLE 13
FIRE AND POLICE STATE AIDS

Section 1. Minnesota Statutes 2020, section 6.495, subdivision 3, is amended to read:

Subd. 3. **~~Report~~ Reports to commissioner of revenue.** (a) On or before September 15, November 1, March 1, and June 1, the state auditor ~~shall~~ must file with the commissioner of revenue a financial compliance report certifying for each relief association:

(1) the completion of the annual financial report required under section 424A.014 and the auditing or certification of those financial reports under subdivision 1; and

(2) the receipt of any actuarial valuations required under section 424A.093 or Laws 2013, chapter 111, article 5, sections 31 to 42.

(b) The commissioner of revenue shall prescribe the content, format, and manner of the financial compliance reports required by paragraph (a), pursuant to section 270C.30.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 2. Minnesota Statutes 2020, section 477B.01, is amended by adding a subdivision to read:

Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement between two or more fire departments that provide contracted fire protection service to the same municipality and establishes the percentage of the population and the percentage of the estimated market value within the municipality serviced by each fire department.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 3. Minnesota Statutes 2020, section 477B.01, subdivision 5, is amended to read:

Subd. 5. **Fire department.** (a) "Fire department" ~~includes~~ means:

(1) a municipal fire department ~~and~~;

(2) an independent nonprofit firefighting corporation~~.~~;

(3) a fire department established as or operated by a joint powers entity; or

(4) a fire protection special taxing district established under chapter 144F or special law.

(b) This subdivision only applies to this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 4. Minnesota Statutes 2020, section 477B.01, is amended by adding a subdivision to read:

Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created under section 471.59.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 5. Minnesota Statutes 2020, section 477B.01, subdivision 10, is amended to read:

Subd. 10. **Municipality.** (a) "Municipality" means:

(1) a home rule charter or statutory city;

(2) an organized town;

(3) ~~a park district subject to chapter 398~~ a joint powers entity;

(4) ~~the University of Minnesota~~ a fire protection special taxing district; ~~and~~ or

(5) an American Indian tribal government entity located within a federally recognized American Indian reservation.

(b) This subdivision only applies to this chapter ~~477B~~.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 6. Minnesota Statutes 2020, section 477B.01, subdivision 11, is amended to read:

Subd. 11. **Secretary.** (a) "Secretary" means:

(1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary incorporated firefighters' relief association or whose firefighters participate in the statewide volunteer firefighter plan~~.~~; or

(2) the secretary of a joint powers entity or fire protection special taxing district or, if there is no such person, the person primarily responsible for managing the finances of a joint powers entity or fire protection special taxing district.

(b) This subdivision only applies to this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 7. Minnesota Statutes 2020, section 477B.02, subdivision 2, is amended to read:

Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting corporation must be created under the nonprofit corporation act of this state operating for the exclusive purpose of firefighting, or the governing body of a municipality must officially establish a fire department.

(b) The fire department must have provided firefighting services for at least one calendar year, and must have a current fire department identification number issued by the state fire marshal.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 8. Minnesota Statutes 2020, section 477B.02, subdivision 3, is amended to read:

Subd. 3. **~~Personnel and~~ Benefits requirements.** ~~(a) A fire department must have a minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.~~

~~(b) The fire department must have regular scheduled meetings and frequent drills that include instructions in firefighting tactics and in the use, care, and operation of all fire apparatus and equipment.~~

~~(c)~~ (a) The fire department must have a separate subsidiary incorporated firefighters' relief association that provides retirement benefits or must participate in the statewide volunteer firefighter plan; or if the municipality solely employs full-time firefighters as defined in section 299N.03, subdivision 5, retirement coverage must be provided by the public employees police and fire retirement plan. For purposes of retirement benefits, a fire department may be associated with only one volunteer firefighters' relief association or one account in the voluntary statewide volunteer firefighter retirement plan at one time.

~~(d)~~ (b) Notwithstanding paragraph ~~(c)~~ (a), a municipality without a relief association as described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other requirements of this section are met.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 9. Minnesota Statutes 2020, section 477B.02, is amended by adding a subdivision to read:

Subd. 4a. **Public safety answering point requirement.** The fire department must be dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 10. Minnesota Statutes 2020, section 477B.02, subdivision 5, is amended to read:

Subd. 5. **Fire service contract or agreement; apportionment agreement filing ~~requirement~~ requirements.** (a) Every municipality or independent nonprofit firefighting corporation must file ~~a copy of any duly executed and valid fire service contract or agreement~~ with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2) written notification of any fire service contract terminations, and (3) written notification of any dissolution of a fire department, within 60 days of contract execution or termination, or department dissolution.

(b) If more than one fire department provides service to a municipality, the fire departments furnishing service must ~~enter into an agreement apportioning among themselves the percentage of the population and the percentage of the estimated market value of each shared service fire department service area. The agreement must be in writing and must be filed~~ file an apportionment agreement with the commissioner.

(c) When a municipality is a joint powers entity, it must file its joint powers agreement with the commissioner. If the joint powers agreement does not include sufficient information defining the fire department service area of the joint powers entity for the purposes of calculating fire state aid, the secretary must file a written statement with the commissioner defining the fire department service area.

(d) When a municipality is a fire protection special taxing district, it must file its resolution establishing the fire protection special taxing district, and any agreements required for the establishment of the fire protection special taxing district, with the commissioner. If the resolution or agreement does not include sufficient information defining the fire department service area of the fire protection special taxing district, the secretary must file a written statement with the commissioner defining the fire department service area.

(e) The commissioner shall prescribe the content, format, and manner of the notifications, apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to section 270C.30, except that copies of fire service contracts, joint powers agreements, and resolutions establishing fire protection special taxing districts shall be filed in their existing form.

(f) A document filed with the commissioner under this subdivision must be refiled any time it is updated within 60 days of the update. An apportionment agreement must be refiled only when a change in the averaged sum of the percentage of population and percentage of estimated market value serviced by a fire department subject to the apportionment agreement is at least one percent. The percentage amount must be rounded to the nearest whole percentage.

(g) Upon the request of the commissioner, the county auditor must provide information that the commissioner requires to accurately apportion the estimated market value of a fire department service area for a fire department providing service to an unorganized territory located in the county.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 11. Minnesota Statutes 2020, section 477B.02, subdivision 8, is amended to read:

Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, ~~if retirement coverage for a fire department is provided by the statewide volunteer firefighter plan,~~ the executive director of the Public Employees Retirement Association must certify ~~the existence of retirement coverage.~~ to the commissioner the fire departments that transferred retirement coverage to, or terminated participation in, the voluntary statewide volunteer firefighter retirement plan since the previous certification under this paragraph. This certification must include the number of active volunteer firefighters under section 477B.03, subdivision 5, paragraph (e).

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 12. Minnesota Statutes 2020, section 477B.02, subdivision 9, is amended to read:

Subd. 9. **Fire department certification to commissioner.** On or before March 15 of each year, the municipal clerk or the secretary~~, and the fire chief,~~ must ~~jointly~~ certify to the commissioner ~~that the fire department exists and meets the qualification requirements of this section~~ the fire department service area as of December 31 of the previous year, and that the fire department meets the qualification requirements of this section. The municipal clerk or the secretary must provide the commissioner with documentation that the commissioner deems necessary for determining eligibility for fire state aid or for calculating and apportioning fire state aid under section 477B.03. The commissioner shall prescribe the content, format, and manner of the certification ~~must be on a form prescribed by the commissioner and must include all other information that the commissioner requires~~ pursuant to section 270C.30. The municipal clerk or the secretary must send a copy of the certification filed under this subdivision to the fire chief within five business days of the date the certification was filed with the commissioner.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 13. Minnesota Statutes 2020, section 477B.03, subdivision 2, is amended to read:

Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for apportionment, before the addition of the minimum fire state aid allocation amount under subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by companies or insurance companies on the Minnesota Fire Premium Report, except that credits claimed under section 297I.20, subdivisions 3, 4, and 5, do not affect the calculation of the amount of fire state aid available for apportionment. This amount must be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters' relief associations.

(b) The total amount available for apportionment must not be less than two percent of the premiums less return premiums reported to the commissioner by companies or insurance companies on the Minnesota Fire Premium Report after subtracting the following amounts:

(1) the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters' relief associations; and

(2) one percent of the premiums reported by township mutual insurance companies and mutual property and casualty companies with total assets of $5,000,000 or less.

(c) The commissioner must apportion the fire state aid to each municipality or independent nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums reported on the Minnesota Fire Premium Reports filed under this chapter.

(d) The commissioner must calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

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

Sec. 14. Minnesota Statutes 2020, section 477B.03, subdivision 3, is amended to read:

Subd. 3. **Population and estimated market value.** (a) ~~Official statewide federal census figures~~ The most recent population estimates made by the state demographer pursuant to section 4A.02, paragraph (d), must be used in calculations requiring the use of population figures under this chapter. ~~Increases or decreases in population disclosed by reason of any special census must not be taken into consideration.~~

(b) The ~~latest available~~ estimated market value property figures for the assessment year immediately preceding the year the aid is distributed must be used in calculations requiring the use of estimated market value property figures under this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 15. Minnesota Statutes 2020, section 477B.03, subdivision 4, is amended to read:

Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation amount is the amount available for apportionment as fire state aid under subdivision 2, without the inclusion of any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount is allocated one-half in proportion to the population for each fire department service area and one-half in proportion to the estimated market value of each fire department service area, including (1) the estimated market value of tax-exempt property, and (2) the estimated market value of natural resources lands receiving in lieu payments under sections 477A.11 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

(b) In the case of a municipality or independent nonprofit firefighting corporation furnishing fire protection to other municipalities as evidenced by valid fire service contracts, joint powers agreements, resolutions, and other supporting documents filed with the commissioner under section 477B.02, subdivision 5, the distribution must be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments must be made to subsequent apportionments.

(c) In the case of municipalities or independent nonprofit firefighting corporations qualifying for aid, the commissioner must calculate the state aid for the municipality or independent nonprofit firefighting corporation on the basis of the population and the estimated market value of the area furnished fire protection service by the fire department as evidenced by valid fire service ~~agreements~~ contracts, joint powers agreements, resolutions, and other supporting documents filed with the commissioner under section 477B.02, subdivision 5.

(d) In the case of more than one fire department furnishing contracted fire service to a municipality, the population and estimated market value in the apportionment agreement filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating the state aid.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 16. Minnesota Statutes 2020, section 477B.03, subdivision 5, is amended to read:

Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid allocation amount is the amount derived from any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire state aid allocation amount is allocated to municipalities or independent nonprofit firefighting corporations with volunteer firefighters' relief associations or covered by the statewide volunteer firefighter plan. The amount is based on the number of active volunteer firefighters who are (1) members of the relief association as reported to the Office of the State Auditor in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2) covered by the statewide volunteer firefighter plan as specified in paragraph (e).

(b) For relief associations established in calendar year 1993 or a prior year, the number of active volunteer firefighters equals the number of active volunteer firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1993, but not to exceed 30 active volunteer firefighters.

(c) For relief associations established in calendar year 1994 through calendar year 1999, the number of active volunteer firefighters equals the number of active volunteer firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer firefighters.

(d) For relief associations established after calendar year 1999, the number of active volunteer firefighters equals the number of active volunteer firefighters who are members of the relief association as reported in the first annual financial reporting submitted to the Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

(e) ~~If a relief association is terminated as a result of~~ For a municipality or independent nonprofit firefighting corporation that is providing retirement coverage for volunteer firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of active volunteer firefighters equals the number of active volunteer firefighters of the municipality or independent nonprofit firefighting corporation covered by the statewide plan as certified by the executive director of the Public Employees Retirement Association to the commissioner and the state auditor by February 1 immediately following the date the municipality or independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed 30 active firefighters.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 17. Minnesota Statutes 2020, section 477B.03, subdivision 7, is amended to read:

Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a fire relief association, or the statewide volunteer firefighter plan may object to the amount of fire state aid apportioned to it by filing a written request with the commissioner to review and adjust the apportionment of funds within the state. The objection of a municipality, an independent nonprofit firefighting corporation, a fire relief association, or the voluntary statewide volunteer firefighter retirement plan must be filed with the commissioner within 60 days of the date the amount of apportioned fire state aid is paid. The decision of the commissioner is subject to appeal, review, and adjustment by the district court in the county in which the applicable municipality or independent nonprofit firefighting corporation is located or by the Ramsey County District Court with respect to the statewide volunteer firefighter plan.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 18. Minnesota Statutes 2020, section 477B.04, subdivision 1, is amended to read:

Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public Employees Retirement Association for deposit in the statewide volunteer firefighter fund on behalf of a municipality or independent nonprofit firefighting corporation that is a member of the statewide volunteer firefighter plan under chapter 353G~~, or directly to a municipality or county designated by an independent nonprofit firefighting corporation~~. The commissioner must directly pay all other municipalities qualifying for fire state aid, except as provided in paragraph (d). The payment is equal to the amount of fire state aid apportioned to the applicable fire state aid recipient under section 477B.03.

(b) Fire state aid is payable on October 1 annually. The amount of state aid due and not paid by October 1 accrues interest payable to the recipient at the rate of one percent for each month or part of a month that the amount remains unpaid after October 1.

(c) If the commissioner of revenue does not receive a financial compliance report described in section 6.495, subdivision 3, for a relief association, the amount of fire state aid apportioned to a municipality or independent nonprofit firefighting corporation under section 477B.03 for that relief association must be withheld from payment to the Public Employees Retirement Association or the municipality. The commissioner of revenue must issue a withheld payment within ten business days of receipt of a financial compliance report under section 6.495, subdivision 3. The interest under paragraph (b) does not apply ~~when~~ to a payment ~~has not been made by October 1 due to noncompliance with sections 424A.014 and 477B.02, subdivision 7~~ withheld under this paragraph.

(d) The commissioner must make payments directly to the largest municipality in population located within any area included in a joint powers entity that does not have a designated agency under section 471.59, subdivision 3, or within the fire department service area of an eligible independent nonprofit firefighting corporation. If there is no city or town within the fire department service area of an eligible independent nonprofit firefighting corporation, fire state aid must be paid to the county where the independent nonprofit firefighting corporation is located.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 19. Minnesota Statutes 2020, section 477B.04, is amended by adding a subdivision to read:

Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a fire state aid overpayment or underpayment due to a clerical error must be made to subsequent fire state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment under this subdivision is limited to three years after the payment was issued.

(b) If an overpayment equals more than ten percent of the most recently paid aid amount, the commissioner must reduce the aid a municipality or independent nonprofit firefighting corporation is to receive by the amount overpaid over a period of no more than three years. If an overpayment equals or is less than ten percent of the most recently paid aid amount, the commissioner must reduce the next aid payment occurring in 30 days or more by the amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality or independent nonprofit firefighting corporation over a period of no more than three years. An additional distribution to a municipality or independent nonprofit firefighting corporation must be paid from the general fund and must not diminish the payments made to other municipalities or independent nonprofit firefighting corporations under this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 20. Minnesota Statutes 2020, section 477C.03, subdivision 2, is amended to read:

Subd. 2. **Apportionment of police state aid.** (a) The total amount available for apportionment as police state aid is equal to 104 percent of the amount of premium taxes paid to the state on the premiums reported to the commissioner by companies or insurance companies on the Minnesota Aid to Police Premium Report, except that credits claimed under section 297I.20, subdivisions 3, 4, and 5, do not affect the calculation of the total amount of police state aid available for apportionment. The total amount for apportionment for the police state aid program must not be less than two percent of the amount of premiums reported to the commissioner by companies or insurance companies on the Minnesota Aid to Police Premium Report.

(b) The commissioner must calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

(c) In addition to the amount for apportionment of police state aid under paragraph (a), each year $100,000 must be apportioned for police state aid. An amount sufficient to pay this increase is annually appropriated from the general fund.

(d) The commissioner must apportion police state aid to all municipalities in proportion to the relationship that the total number of peace officers employed by that municipality for the prior calendar year and the proportional or fractional number who were employed less than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears to the total number of peace officers employed by all municipalities subject to any reduction under subdivision 3.

~~(e) Any necessary additional adjustments must be made to subsequent police state aid apportionments.~~

EFFECTIVE DATE. (a) The amendment to paragraph (a) is effective the day following final enactment.

(b) The amendment striking paragraph (e) is effective for aids payable in calendar year 2023 and thereafter.

Sec. 21. Minnesota Statutes 2020, section 477C.03, subdivision 5, is amended to read:

Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned to it by filing a written request with the commissioner to review and adjust the apportionment of funds to the municipality. The objection of a municipality must be filed with the commissioner within 60 days of the date the amount of apportioned police state aid is paid. The decision of the commissioner is subject to appeal, review, and adjustment by the district court in the county in which the applicable municipality is located or by the Ramsey County District Court with respect to the Departments of Natural Resources or Public Safety.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 22. Minnesota Statutes 2020, section 477C.04, is amended by adding a subdivision to read:

Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a police state aid overpayment or underpayment due to a clerical error must be made to subsequent police state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment under this subdivision is limited to three years after the payment was issued.

(b) If an overpayment equals more than ten percent of the most recently paid aid amount, the commissioner must reduce the aid a municipality is to receive by the amount overpaid over a period of no more than three years. If an overpayment equals or is less than ten percent of the most recently paid aid amount, the commissioner must reduce the next aid payment occurring in 30 days or more by the amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality over a period of no more than three years. An additional distribution to a municipality must be paid from the general fund and must not diminish the payments made to other municipalities under this chapter.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 23. **REPEALER.**

Minnesota Statutes 2020, sections 477B.02, subdivision 4; and 477B.03, subdivision 6, are repealed.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

ARTICLE 14
MISCELLANEOUS TAX PROVISIONS

Section 1. Minnesota Statutes 2020, section 290A.03, subdivision 13, is amended to read:

Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year, and after any refund claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the year that the property tax is payable. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. Regardless of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes payable" must be apportioned or reduced for the use of a portion of the claimant's homestead for a business purpose if the claimant deducts any business depreciation expenses for the use of a portion of the homestead or deducts expenses under section 280A of the Internal Revenue Code for a business operated in the claimant's homestead. For homesteads which are manufactured homes as defined in section 273.125, subdivision 8, including manufactured homes located in a manufactured home community owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall also include 17 percent of the gross rent paid in the preceding year for the site on which the homestead is located. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.124, on or before December ~~15~~ 31 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made on or before December ~~15~~ 31 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

EFFECTIVE DATE. This section is effective for refund claims based on property taxes payable in 2022 and thereafter.

Sec. 2. Minnesota Statutes 2020, section 290A.19, is amended to read:

290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the owner or managing agent may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

(b) The commissioner may require the owner or managing agent, through a simple process, to furnish to the commissioner on or before March 1 a copy of each certificate of rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe the content, format, and manner of the form pursuant to section 270C.30. The commissioner may require the Social Security number, individual taxpayer identification number, federal employer identification number, or Minnesota taxpayer identification number of the owner or managing agent who is required to furnish a certificate of rent paid under this paragraph. Prior to implementation, the commissioner, after consulting with representatives of owners or managing agents, shall develop an implementation and administration plan for the requirements of this paragraph that attempts to minimize financial burdens, administration and compliance costs, and takes into consideration existing systems of owners and managing agents.

(c) For the purposes of this section, "owner" includes a park owner as defined under section 327C.01, subdivision 6, and "property" includes a lot as defined under section 327C.01, subdivision 3.

EFFECTIVE DATE. This section is effective for refund claims based on rent paid in 2022 and thereafter."

Delete the title and insert:

"A bill for an act relating to taxation; modifying provisions governing individual income and corporate franchise taxes, sales and use taxes, property taxes, certain state aid programs, certain local taxes, tax increment financing, and various other taxes and tax-related provisions; providing for certain federal tax conformity; modifying and proposing certain income tax credits and subtractions; providing for certain sales tax exemptions; modifying property tax refunds and programs; proposing additional local government aid programs; authorizing certain tax increment financing; authorizing certain local taxes; converting the renter's property tax refund into a refundable individual income tax credit; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 6.495, subdivision 3; 38.27, subdivision 4; 41B.0391, subdivisions 1, 2, 4; 123B.595, subdivision 3; 123B.61; 126C.40, subdivision 1; 270A.03, subdivision 2; 270B.12, subdivision 8; 272.01, subdivision 2; 272.02, subdivisions 24, 98, by adding subdivisions; 273.124, subdivisions 3a, 6, 13a, 13c, 13d; 273.1245, subdivision 1; 273.13, subdivision 35; 273.1315, subdivision 2; 273.1387, subdivision 2; 273.41; 279.03, subdivision 1a; 282.261, subdivision 2; 287.12; 287.29; 287.31, subdivision 3; 289A.02, subdivision 7; 289A.38, subdivision 4; 289A.56, subdivision 6; 289A.60, subdivision 12; 290.0131, by adding subdivisions; 290.0132, subdivisions 18, 21, 26, by adding subdivisions; 290.0133, by adding a subdivision; 290.0134, by adding a subdivision; 290.067; 290.0674, subdivision 2; 290.0681, subdivisions 2, 3, 4; 290.0685, subdivision 1, by adding a subdivision; 290.091, subdivision 2; 290.095, subdivision 11; 290A.02; 290A.03, subdivisions 6, 8, 12, 13, 15; 290A.04, subdivisions 1, 2, 2h, 4; 290A.05; 290A.07, subdivision 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19; 290A.25; 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.005, subdivision 1; 296A.083, subdivision 3; 297A.61, subdivisions 12, 29; 297A.68, subdivision 25, by adding subdivisions; 297A.70, subdivision 21; 297A.71, subdivision 51, by adding subdivisions; 297A.94; 297A.99, subdivisions 1, 3; 297H.13, subdivision 2; 298.28, subdivisions 7a, 9b; 366.095, subdivision 1; 373.01, subdivision 3; 383B.117, subdivision 2; 410.32; 412.301;

462A.05, subdivision 24; 462A.38; 469.174, subdivision 14, by adding a subdivision; 469.176, subdivisions 3, 4; 469.1763, subdivision 6; 469.1771, subdivisions 2, 2a, 3; 477A.011, subdivision 34, by adding subdivisions; 477A.0124, subdivision 2; 477A.013, subdivisions 8, 9; 477A.015; 477A.03, subdivision 2a; 477A.12, subdivisions 1, 3, by adding a subdivision; 477B.01, subdivisions 5, 10, 11, by adding subdivisions; 477B.02, subdivisions 2, 3, 5, 8, 9, by adding a subdivision; 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision; 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision; Minnesota Statutes 2021 Supplement, sections 16A.152, subdivision 2; 116J.8737, subdivision 5; 116U.27, subdivisions 1, 2; 126C.10, subdivision 2e; 272.0295, subdivision 2; 273.11, subdivision 12; 273.124, subdivisions 13, 14; 273.13, subdivisions 23, 25, 34; 289A.08, subdivisions 7, 7a; 289A.382, subdivision 2; 290.01, subdivisions 19, 31; 290.06, subdivisions 2c, 22; 290.0671, subdivision 1; 290.0681, subdivision 10; 290.0682, by adding subdivisions; 290.993; 290A.03, subdivision 3; 297A.71, subdivision 52; 297A.75, subdivisions 1, 2, 3; 297A.99, subdivision 2; 297F.09, subdivision 10; 297G.09, subdivision 9; 469.1763, subdivisions 2, 3, 4; 477A.03, subdivision 2b; 477A.30; Laws 1998, chapter 389, article 8, section 43, as amended; Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended; Laws 2006, chapter 259, article 11, section 3, as amended; Laws 2008, chapter 366, article 7, section 17; Laws 2011, First Special Session chapter 7, article 4, section 14; Laws 2014, chapter 308, article 6, section 12, subdivision 2; Laws 2017, First Special Session chapter 1, article 3, section 26; Laws 2019, First Special Session chapter 6, article 6, section 25; Laws 2021, First Special Session chapter 14, article 8, sections 5; 7; proposing coding for new law in Minnesota Statutes, chapters 240A; 290; 477A; proposing coding for new law as Minnesota Statutes, chapter 428B; repealing Minnesota Statutes 2020, sections 6.91; 290.0674, subdivision 2a; 290A.03, subdivisions 9, 11; 290A.04, subdivisions 2a, 5; 290A.23, subdivision 1; 327C.01, subdivision 13; 327C.16; 477A.011, subdivisions 30a, 38, 42, 45; 477A.013, subdivision 13; 477B.02, subdivision 4; 477B.03, subdivision 6; Minnesota Statutes 2021 Supplement, section 290.0111."

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

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3920, A bill for an act relating to public safety; eliminating the fee for uncertified copies of instruments from civil or criminal proceedings; amending Minnesota Statutes 2020, section 357.021, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 11, article 1, 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 "2022" and "2023" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30 2022	2023
Sec. 2. **SUPREME COURT**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$63,760,000**
Subd. 2. **Supreme Court Operations**	-0-	4,054,000

(a) Compensation

Compensation for staff is increased by a minimum of six percent. Justices' compensation is increased by up to six percent from any remainder.

(b) Maintain Core Operations

$2,304,000 in fiscal year 2023 is for maintaining core operations.

(c) Cybersecurity

$1,750,000 in fiscal year 2023 is for cybersecurity.

Subd. 3. **Civil Legal Services**	-0-	59,706,000

(a) Salary Equity

$4,304,000 in fiscal year 2023 is for salary equity.

(b) COVID-19 Response

$7,463,000 in fiscal year 2023 is for COVID-19 response. The general fund base for this appropriation is $7,051,000 in fiscal year 2024 and $7,051,000 in fiscal year 2025.

(c) Increased Legal Services

$47,939,000 in fiscal year 2023 is for increased legal services. The ongoing base for this appropriation is $58,806,000 beginning in fiscal year 2024.

Sec. 3. **COURT OF APPEALS**	**$-0-**	**$621,000**

Compensation

Compensation for staff is increased by a minimum of six percent. Judges' compensation is increased by up to six percent from any remainder.

Sec. 4. **DISTRICT COURTS** **$-0-** **$16,799,000**

(a) Compensation

Compensation for staff is increased by a minimum of six percent. Judges' compensation is increased by up to six percent from any remainder.

(b) Psychological Services

1,996,000 in fiscal year 2023 is for mandated psychological services.

(c) Base Adjustment

The general fund base is increased by $200,000 beginning in fiscal year 2024 to maintain funding for interpreter pay.

Sec. 5. **GUARDIAN AD LITEM BOARD** **$-0-** **$909,000**

Sec. 6. **BOARD OF PUBLIC DEFENSE** **$1,740,000** **$52,453,000**

(a) Electronic File Storage and Remote Hearing Access

$627,000 in fiscal year 2022 is for electronic file storage and remote hearing access. This is a onetime appropriation.

(b) Salary Equity

$1,113,000 in fiscal year 2022 and $2,266,000 in fiscal year 2023 are for salary equity.

(c) Increased Services

$50,000,000 in fiscal year 2023 is for increased public defender services.

(d) Postconviction Relief Petitions

$187,000 in fiscal year 2023 is for contract attorneys to represent individuals who file postconviction relief petitions. This is a onetime appropriation.

Sec. 7. **HUMAN RIGHTS** **$-0-** **$2,543,000**

(a) Improve Caseload Processing

$492,000 in fiscal year 2023 is to improve caseload processing. The general fund base for this appropriation is $461,000 in fiscal year 2024 and $461,000 in fiscal year 2025.

(b) Bias and Discrimination Data Gathering and Reporting

$388,000 in fiscal year 2023 is to improve bias and discrimination data gathering and reporting. The general fund base for this appropriation is $243,000 in fiscal year 2024 and $243,000 in fiscal year 2025.

(c) Bias Response Community Equity Outreach

$1,185,000 in fiscal year 2023 is for bias response community equity outreach. The general fund base for this appropriation is $1,001,000 in fiscal year 2024 and $1,001,000 in fiscal year 2025.

(d) Equity and Inclusion Strategic Compliance

$228,000 in fiscal year 2023 is for equity and inclusion strategic compliance.

(e) Equity and Inclusion Strategic Compliance Data Consultant

$250,000 in fiscal year 2023 is for an equity and inclusion strategic compliance data consultant. These funds are available until June 30, 2024. This is a onetime appropriation.

Sec. 8. **BOARD OF APPELLATE COUNSEL FOR PARENTS** **$-0-** **$699,000**

Establishment

$699,000 in fiscal year 2023 is to establish and operate the Board of Appellate Counsel for Parents and appellate counsel program. The ongoing base for this program is $1,835,000 beginning in fiscal year 2024.

ARTICLE 2
CIVIL POLICY WITH FISCAL IMPACT

Section 1. **[260C.419] STATE BOARD OF APPELLATE COUNSEL FOR PARENTS.**

Subdivision 1. **Structure; membership.** (a) The State Board of Appellate Counsel for Parents 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 public members appointed by the governor;

(2) one member appointed by the state Indian Affairs Council; and

(3) 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 State Board of Appellate Counsel for Parents:

(1) a person who is a judge;

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

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

(4) a person under contract with or employed by the Department of Human Services or a county department of human or social services; or

(5) 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. 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 appellate proceedings related to child protection matters as well as the laws that affect a parent appellate attorney's work, including chapter 260C, the Minnesota Rules of Juvenile Protection Procedure, the Minnesota 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 members shall elect the chair from among the membership for a term of two years.

Subd. 2. **Head appellate counsel for parents; assistant and contracted attorneys.** (a) Beginning January 1, 2024, and for every four years after that date, the State Board of Appellate Counsel for Parents shall appoint a head appellate counsel in charge of appellate services, 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 State Board of Appellate Counsel for Parents. 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 of the head appellate counsel shall be set by the State Board of Appellate Counsel for Parents and shall be commensurate with county attorneys in the state.

(b) Consistent with the decisions of the State Board of Appellate Counsel for Parents, the head appellate counsel shall employ assistants or hire independent contractors to serve as appellate counsel for parents. Each assistant appellate counsel and independent contractor serves at the pleasure of the head appellate counsel. The compensation of assistant appellate counsel and independent contractors shall be set by the State Board of Appellate Counsel for Parents and shall be commensurate with assistant county attorneys in the state.

(c) A person serving as appellate counsel shall be a qualified 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.

Subd. 3. **Program administrator.** The State Board of Appellate Counsel for Parents shall appoint a program administrator who must be chosen solely on the basis of training, experience, and other qualifications and who serves at the pleasure of the board. The program administrator need not be licensed to practice law. The program administrator shall attend all meetings of the board, but may not vote, and shall:

(1) enforce all resolutions, standards, rules, regulations, policies, and orders of the board;

(2) present to the board and the head appellate counsel plans, studies, and reports prepared for the board's and the head appellate counsel's purposes and recommend to the board and the head appellate counsel for adoption measures necessary to enforce or carry out the powers and duties of the board and the head appellate counsel or to efficiently administer the affairs of the board and the head appellate counsel;

(3) keep the board fully advised as to the board's financial condition and prepare and submit to the board the annual appellate counsel for parents program and the State Board of Appellate Counsel for Parents budget and other financial information as requested by the board;

(4) recommend to the board the adoption of rules and regulations necessary for the efficient operation of the board and the state appellate counsel for parents program;

(5) work cooperatively and collaboratively with sovereign Tribal Nations in the state;

(6) work cooperatively and collaboratively with counties to implement the appellate counsel program; and

(7) perform other duties prescribed by the board.

Subd. 4. **Duties and responsibilities.** (a) The State Board of Appellate Counsel for Parents shall create and administer a statewide, independent appellate counsel program to represent indigent parents who are eligible for the appointment of counsel under section 260C.163, subdivision 3, on appeal in juvenile protection matters.

(b) The board shall approve and recommend to the legislature a budget for the board and the appellate counsel for parents program.

(c) The board shall establish procedures for distribution of funding under this section to the appellate program.

(d) The head appellate counsel with the approval of the board shall establish appellate program standards, administrative policies, procedures, and rules consistent with statute, rules of court, and laws that affect appellate counsel's work. The standards must include but are not limited to:

(1) standards needed to maintain and operate an appellate counsel for parents program, including requirements regarding the qualifications, training, and size of the legal and supporting staff for an appellate counsel program;

(2) standards for appellate counsel caseloads;

(3) standards and procedures for the eligibility of appointment, assessment, and collection of the costs for legal representation provided by appellate counsel;

(4) standards for contracts between contracted appellate counsel and the state appellate counsel program for the legal representation of indigent persons;

(5) standards prescribing minimum qualifications of counsel appointed under the board's authority or by the courts; and

(6) standards ensuring the independent, competent, and efficient representation of clients whose cases present conflicts of interest.

(e) The board may:

(1) propose statutory changes to the legislature and rule changes to the supreme court that are in the best interests of the operation of the appellate counsel for parents program; and

(2) require the reporting of statistical data, budget information, and other cost factors by the appellate counsel for parents program.

Subd. 5. **Limitation.** In no event shall the board or its members interfere with the discretion, judgment, or zealous advocacy of counsel in their handling of individual cases as a part of the judicial branch of government.

Subd. 6. **Budget; county opt-in.** The establishment of the office and its employees and support staff and the board shall be funded by the state. Counties must utilize this office to provide appellate representation to indigent parents in their county who are seeking an appeal.

Subd. 7. **Collection of costs; appropriation.** If any of the costs provided by appellate counsel are assessed and collected or otherwise reimbursed from any source, payments shall be deposited in the general fund.

Sec. 2. Minnesota Statutes 2021 Supplement, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. **Transmittal of fees to commissioner of management and budget.** (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of management and budget for deposit in the state treasury and credit to the general fund. ~~$30~~ $45 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of management and budget in the special revenue fund and is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapters 260, 260A, 260B, and 260C;

(6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, and 260C.331, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) $20 from each fee collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund and $35 from each fee shall be credited to the state general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

(e) No fee is required under this section from any federally recognized Indian Tribe or its representative in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525; or

(4) court relief under chapters 260, 260A, 260B, 260C, and 260D.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 3. Minnesota Statutes 2020, 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, except in marriage dissolution actions the fee is $315.

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, except in marriage dissolution actions the fee is $315. 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~~, and $8 for an uncertified copy~~.

(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.

(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 for an uncertified copy of an instrument from a civil or criminal proceeding.

Sec. 4. Minnesota Statutes 2020, section 484.85, is amended to read:

484.85 DISPOSITION OF FINES, FEES, AND OTHER MONEY; ACCOUNTS; RAMSEY COUNTY DISTRICT COURT.

(a) In all cases prosecuted in Ramsey County District Court by an attorney for a municipality or subdivision of government within Ramsey County for violation of a statute; an ordinance; or a charter provision, rule, or regulation of a city; all fines, penalties, and forfeitures collected by the court administrator shall be deposited in the state treasury and distributed according to this paragraph. Except where a different disposition is provided by section 299D.03, subdivision 5, or other law, on or before the last day of each month, the court shall pay over all fines, penalties, and forfeitures collected by the court administrator during the previous month as follows:

~~(1) for offenses committed within the city of St. Paul,~~ two-thirds paid to the treasurer of the ~~city of St. Paul~~ municipality or subdivision of government within Ramsey County and one-third credited to the state general fund~~; and~~.

~~(2) for offenses committed within any other municipality or subdivision of government within Ramsey County, one half paid to the treasurer of the municipality or subdivision of government and one half credited to the state general fund.~~

All other fines, penalties, and forfeitures collected by the district court shall be distributed by the courts as provided by law.

(b) Fines, penalties, and forfeitures shall be distributed as provided in paragraph (a) when:

(1) a city contracts with the county attorney for prosecutorial services under section 484.87, subdivision 3; or

(2) the attorney general provides assistance to the city attorney under section 484.87, subdivision 5.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 5. Minnesota Statutes 2020, 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 to the commissioner of management and budget to be deposited as follows:

(1) ~~$55~~ $40 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~~ $40 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.

(b) Of the $40 fee under subdivision 1b, paragraph (b), $25 must be retained by the county. The local registrar must pay $15 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.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 6. Minnesota Statutes 2020, section 590.01, subdivision 4, is amended to read:

Subd. 4. **Time limit.** (a) No petition for postconviction relief may be filed more than two years after the later of:

(1) the entry of judgment of conviction or sentence if no direct appeal is filed; or

(2) an appellate court's disposition of petitioner's direct appeal.

(b) Notwithstanding paragraph (a), a court may hear a petition for postconviction relief if:

(1) the petitioner establishes that a physical disability or mental disease precluded a timely assertion of the claim;

(2) the petitioner alleges the existence of newly discovered evidence, including scientific evidence, that could not have been ascertained by the exercise of due diligence by the petitioner or petitioner's attorney within the two-year time period for filing a postconviction petition, and the evidence is not cumulative to evidence presented at trial, is not for impeachment purposes, and establishes by a clear and convincing standard that the petitioner is innocent of the offense or offenses for which the petitioner was convicted;

(3) the petitioner asserts a new interpretation of federal or state constitutional or statutory law by either the United States Supreme Court or a Minnesota appellate court and the petitioner establishes that this interpretation is retroactively applicable to the petitioner's case;

(4) the petition is brought pursuant to subdivision 3; ~~or~~

(5) the petitioner establishes to the satisfaction of the court that the petition is not frivolous and is in the interests of justice~~.~~; or

(6) the petitioner is either placed into immigration removal proceedings, or detained for the purpose of removal from the United States, or received notice to report for removal, as a result of a conviction that was obtained by relying on incorrect advice or absent advice from counsel on immigration consequences.

(c) Any petition invoking an exception provided in paragraph (b) must be filed within two years of the date the claim arises."

Delete the title and insert:

"A bill for an act relating to judiciary; establishing a State Board of Appellate Counsel for Parents; modifying certain fees; eliminating fee for uncertified copies of instruments from civil or criminal proceedings; modifying time limit for postconviction relief for petitioners with immigration consequences; appropriating money for the courts, State Guardian Ad Litem Board, Board of Public Defense, human rights, and State Board of Appellate Counsel for Parents; amending Minnesota Statutes 2020, sections 357.021, subdivision 2; 484.85; 517.08, subdivision 1c; 590.01, subdivision 4; Minnesota Statutes 2021 Supplement, section 357.021, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 260C."

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

The report was adopted.

Marquart from the Committee on Taxes to which was referred:

H. F. No. 4300, A bill for an act relating to education finance; modifying provisions for prekindergarten through grade 12 education including general education, education excellence, teachers, charter schools, special education, health and safety, facilities, nutrition and libraries, early education, community education and lifelong learning, and state agencies; making forecast adjustments to funding for general education, education excellence, special education, facilities, nutrition, early education, and community education and lifelong learning; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2020, sections 13.32, subdivision 3; 120A.20, subdivision 1; 120A.22, subdivisions 7, 9; 120A.41; 120A.42; 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4; 120B.022, subdivision 1; 120B.024, subdivisions 1, 2; 120B.026; 120B.11, subdivisions 1, 1a, 2, 3; 120B.12; 120B.15; 120B.30, subdivisions 1, 1a; 120B.301; 120B.35, subdivision 3; 120B.36, subdivision 2; 121A.031, subdivisions 5, 6; 121A.19; 121A.21; 121A.41, subdivisions 2, 10, by adding subdivisions; 121A.425; 121A.45, subdivision 1; 121A.46, subdivision 4, by adding a subdivision; 121A.47, subdivisions 2, 14; 121A.53, subdivision 1; 121A.55; 121A.61, subdivisions 1, 3, by adding a subdivision; 122A.06, subdivisions 4, 6; 122A.091, subdivision 5; 122A.14, by adding a subdivision; 122A.181, subdivision 5; 122A.183, subdivision 1; 122A.184, subdivision 1; 122A.185, subdivision 1; 122A.187, by adding a subdivision; 122A.31, subdivision 1; 122A.40, subdivisions 3, 5, 8; 122A.41, subdivisions 2, 5, by adding a subdivision; 122A.415, subdivision 4, by adding subdivisions; 122A.50; 122A.635; 122A.76; 123A.485, subdivision 2; 123B.04, subdivision 1; 123B.147, subdivision 3; 123B.195; 123B.44, subdivisions 1, 5, 6; 123B.595; 123B.86, subdivision 3; 124D.09, subdivisions 3,

9, 10, 12, 13; 124D.095, subdivisions 2, 3, 4, 7, 8, by adding subdivisions; 124D.119; 124D.128, subdivision 1; 124D.151, as amended; 124D.2211; 124D.4531, subdivisions 1, 1a, 1b; 124D.531, subdivisions 1, 4; 124D.55; 124D.59, subdivisions 2, 2a; 124D.65, subdivision 5; 124D.68, subdivision 2; 124D.73, by adding a subdivision; 124D.74, subdivisions 1, 3, 4, by adding a subdivision; 124D.76; 124D.78; 124D.79, subdivision 2; 124D.791, subdivision 4; 124D.81, subdivisions 1, 2, 2a, 5, by adding a subdivision; 124D.83, subdivision 2, by adding a subdivision; 124D.861, subdivision 2; 124D.98, by adding a subdivision; 124E.02; 124E.03, subdivision 2, by adding a subdivision; 124E.05, subdivisions 4, 7; 124E.06, subdivisions 1, 4, 5; 124E.07, subdivision 3; 124E.11; 124E.13, subdivisions 1, 3; 124E.16, subdivision 1; 124E.25, subdivision 1a; 125A.03; 125A.08; 125A.094; 125A.0942, subdivisions 1, 2, 3; 125A.15; 125A.51; 125A.515, subdivision 3; 125A.71, subdivision 1; 125A.76, subdivision 2e; 126C.05, subdivision 19; 126C.10, subdivisions 2a, 4, 13, 13a, 14, 18a; 126C.15, subdivisions 1, 2; 126C.19, by adding a subdivision; 127A.353, subdivision 2; 127A.45, subdivisions 12a, 13; 134.31, subdivisions 1, 4a; 134.32, subdivision 4; 134.34, subdivision 1; 134.355, subdivisions 5, 6, 7; 144.4165; 179A.03, subdivision 19; Minnesota Statutes 2021 Supplement, sections 122A.70; 126C.05, subdivisions 1, 3; 126C.10, subdivision 2d; 127A.353, subdivision 4; Laws 2021, First Special Session chapter 13, article 1, sections 9; 10, subdivisions 2, 3, 4, 5, 6, 7, 9, 11; article 2, section 4, subdivisions 2, 3, 4, 7, 12, 15, 22, 27; article 3, sections 7, subdivisions 3, 4, 5, 6, 7; 8, subdivision 2; article 5, section 3, subdivisions 2, 3, 4, 5; article 7, section 2, subdivisions 2, 3; article 8, section 3, subdivisions 2, 3, 4, 6; article 9, section 4, subdivisions 3, 5, 6, 12; article 10, section 1, subdivisions 2, 5, 8, 9; article 11, sections 4, subdivision 2; 7, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 124D; 125A; 127A; repealing Minnesota Statutes 2020, sections 120B.35, subdivision 5; 124D.151, subdivision 5; 124D.4531, subdivision 3a; Minnesota Statutes 2021 Supplement, section 124D.151, subdivision 6.

Reported the same back with the following amendments:

Page 29, after line 5, insert:

"Sec. 34. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) For fiscal year 2021 and later, local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals $300 times the adjusted pupil units of the district for that school year. A district's second tier local optional revenue equals $424 times the adjusted pupil units of the district for that school year.

(b) For fiscal year 2021 and later, a district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy.

(c) A district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $880,000.

(d) For fiscal year 2022, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $510,000. For fiscal year 2023, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to ~~$548,842~~ $703,865. For fiscal year 2024 ~~and later~~, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to ~~$510,000~~ $572,600. For fiscal year 2025 and later, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to $664,812.

(e) The local optional levy must be spread on referendum market value. A district may levy less than the permitted amount.

(f) A district's local optional aid equals its local optional revenue minus its local optional levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced."

Page 30, line 7, delete "$37,510" and insert "$22,912" and delete "$28,562" and insert "$25,490" and delete "$30,300" and insert "$23,353"

Page 115, line 1, delete "4" and insert "3"

Page 115, line 5, delete "5" and insert "4"

Page 115, line 7, delete "6" and insert "5"

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

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

The report was adopted.

Ecklund from the Committee on Labor, Industry, Veterans and Military Affairs Finance and Policy to which was referred:

H. F. No. 4324, A bill for an act relating to veterans; appropriating money for Minnesota Assistance Council for Veterans; amending Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 12, article 1, 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 "2022" and "2023" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is the fiscal year ending June 30, 2022. "The second year" is the fiscal year ending June 30, 2023. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30 2022	2023
Sec. 2. **MILITARY AFFAIRS**		
Subdivision 1. **Total Appropriation**	**$.....**	**$2,865,000**
The base is increased $3,242,000 in fiscal year 2024 and each year thereafter.		
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **General Support**	.....	865,000
(a) **Holistic Health and Fitness Program.** $765,000 in fiscal year 2023 is for administrative and payroll costs to create and operate Holistic Health and Fitness (H2F) initiatives across the Minnesota Army National Guard. The base for this program is $742,000 in fiscal year 2024 and each year thereafter.		
(b) **USS Minneapolis-St. Paul Commissioning.** $100,000 in fiscal year 2023 is for a grant to the Minnesota Navy League to support activities related to the commissioning of the USS Minneapolis-St. Paul. This is a onetime appropriation.		
Subd. 3. **Enlistment Incentives**	.....	2,000,000
$2,000,000 in fiscal year 2023 is appropriated from the general fund to the adjutant general of military affairs for the purpose of providing enlistment incentives to attract highly qualified candidates for enlistment in the Minnesota National Guard. The base for this appropriation is $2,500,000 in fiscal year 2024 and each year thereafter.		
Sec. 3. **VETERANS AFFAIRS**		
Subdivision 1. **Total Appropriation**	**$500,000**	**$40,514,000**
The base is increased $10,809,000 in fiscal year 2024 and $7,491,000 in fiscal year 2025.		
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Veterans Programs and Services**	500,000	40,514,000
(a) **Base Adjustment.** The base is increased $10,809,000 in fiscal year 2024 and $7,491,000 in fiscal year 2025.		

(b) **Veterans Bonus Program.** $24,880,000 in fiscal year 2023 is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation.

(c) **Veterans Service Organizations Grant Program.** $147,000 in fiscal year 2023 and each year thereafter is for grants to congressionally chartered veterans service organizations meeting eligibility requirements under Minnesota Statutes, section 197.61, subdivision 3, as designated by the commissioner.

(d) **County Veterans Service Office Grant Program.** $450,000 in fiscal year 2023 and each year thereafter is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(e) **Fisher House.** $500,000 in fiscal year 2023 is for the purpose of supporting the creation of a new Fisher House near the Fargo Veterans Affairs (VA) Medical Center campus. The facility will provide temporary accommodations at no charge to families and caregivers of veterans receiving care at the Fargo VA Health Care System. This is a onetime appropriation and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(f) **Redwood Falls State Veterans Cemetery.** $830,000 in fiscal year 2023 and each year thereafter is for operations of the state's veterans cemeteries, including operations in Redwood County.

(g) **Minnesota Assistance Council for Veterans.** $8,000,000 in fiscal year 2023 is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and former service members and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) supportive services to maintain housing;

(2) employment;

(3) legal issues;

(4) housing and housing-related costs; and

(5) transportation.

The assistance authorized under this paragraph must be made only to veterans or former service members who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

This appropriation must be used for the establishment and management of permanent supportive housing options for homeless veterans and former service members.

The base for this appropriation is $4,200,000 in fiscal year 2024 and $1,200,000 each year thereafter.

Any unencumbered balance remaining in this subdivision in fiscal year 2023 is available in fiscal years 2024 and 2025.

(h) **Increase Engagement and Outreach Activities; Support Temporary Housing Options.** $1,714,000 in fiscal year 2023 and each year thereafter is for temporary alternative housing options for homeless veterans and former service members and for staff to increase outreach activities to end homelessness. The commissioner of veterans affairs may use funds for personnel, research, marketing, and professional or technical contracts.

(i) **Tenancy Supports and Landlord Engagement.** $1,100,000 in fiscal year 2023 is for incentives for landlords to assist in housing homeless veterans and former service members, staff, and funding to remove barriers to permanent housing. The commissioner of veterans affairs may use funds for financial assistance, personnel, research, marketing, and professional or technical contracts. The base in fiscal year 2024 and each year thereafter is $975,000.

(j) **Minnesota Veteran Suicide Prevention Initiative.** $2,125,000 in fiscal year 2023 is to address the problem of death by suicide among veterans in Minnesota. The commissioner of veterans affairs may use funds for personnel, training, research, marketing, and professional or technical contracts. Of this amount, the commissioner may use up to:

(1) $400,000 to initiate a veteran connections pilot project by issuing a request for proposals to identify a community-based, mobile, mental health, and recovery tool to provide a secure environment for veterans to connect with other veterans; and

(2) $150,000 to develop, in consultation with stakeholders, written information on the safe storage of firearms and means restriction. Stakeholders include organizations representing gun sellers and gun owners and organizations supporting suicide prevention and mental health. The written information must include information on Minnesota Statutes, section 609.666, and on how to store firearms safely, suicide risk factors, suicide lifelines, and mental health crisis services. The commissioner must provide the written information to licensed firearm dealers, shooting ranges, chiefs of police, sheriffs, county public health departments, and instructors on the safe use of firearms to distribute to people buying or using firearms.

The base for this appropriation is $2,025,000 in fiscal year 2024 and $2,175,000 in fiscal year 2025.

(k) **Metro Meals on Wheels.** $468,000 in fiscal year 2023 is for a grant to Metro Meals on Wheels to provide:

(1) home-delivered meals to veterans; and

(2) technical, enrollment, fund-raising, outreach, and volunteer recruitment assistance to member programs.

The base for this appropriation is $468,000 in fiscal year 2024 and $0 in fiscal year 2025.

(l) **Veterans Campground Wastewater System Upgrades.** $800,000 in fiscal year 2023 is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct four wastewater systems on campground property to increase the capacity of wastewater systems.

Sec. 4. Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, is amended to read:

Subd. 2. **Veterans Programs and Services**	27,073,000	22,153,000

(a) **CORE Program.** $750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(b) **Veterans Service Organizations.** $353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Minnesota Assistance Council for Veterans.** $750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** $6,172,000 the first year and $1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, $4,500,000 the first year is to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** $1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** $3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is $1,311,000.

(j) **Camp Bliss.** $75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** $50,000 in the first year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(l) ~~**Veterans**~~ **Veteran Resilience Project.** $400,000 each year is for a grant to the ~~veterans~~ veteran resilience project. Grant funds must be used to make eye movement desensitization and

reprocessing therapy available to veterans and current military service members who are suffering from posttraumatic stress disorder ~~and~~ or trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is $200,000.

The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** $500,000 the first year is for the Advisory Task Force on 9/11 and Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

ARTICLE 2
VETERANS AND MILITARY AFFAIRS POLICY

Section 1. Minnesota Statutes 2021 Supplement, section 196.081, is amended to read:

196.081 VETERANS STABLE HOUSING INITIATIVE; DATA; REPORT.

Subdivision 1. **Veterans stable housing initiative.** (a) The commissioner may establish a veterans stable housing initiative. If the commissioner establishes a veterans stable housing initiative under this section, the commissioner must provide resources and support to assist veterans experiencing homelessness in obtaining or maintaining stable housing.

(b) Data on individuals maintained by the commissioner in the Homeless Veteran Registry for purposes of the veterans stable housing initiative is private data on individuals as defined in section 13.02, subdivision 12, and must not be disclosed or shared except for coordinating homelessness prevention efforts with:

(1) members of the Minnesota Interagency Council on Homelessness; and

(2) Homeless Veteran Registry partners to address a veteran's episode of homelessness or maintain a veteran's housing plan through Department of Veterans Affairs funded programs.

(c) For purposes of this section, "homelessness" means that a veteran lacks a fixed, nighttime residence.

Subd. 2. **Annual report.** Beginning January 15, 2023, and each year thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs and housing on the department's homelessness activities. The report must include the annual inflow and outflow of former service members on the homeless veteran registry, the number of currently homeless former service members, the utilization of homeless programs to prevent and end a former service member's episode of homelessness, and identify trends in the homeless response system.

Sec. 2. Minnesota Statutes 2020, section 197.608, subdivision 4, is amended to read:

Subd. 4. **Grant process.** (a) The commissioner shall determine the process for awarding grants. A grant may be used only for the purpose of enhancing the operations of the County Veterans Service Office.

(b) The commissioner shall provide a list of qualifying uses for grant expenditures as developed in subdivision 5 and shall approve a grant under subdivision 6 only for a qualifying use and if there are sufficient funds remaining in the grant program to cover the full amount of the grant.

(c) The commissioner is authorized to use any unexpended funding for this program ~~to provide training and education for county veterans service officers.~~ for the following purposes:

(1) to provide training and education for county veterans service officers; and

(2) to provide additional grants on a competitive basis to any county that proposes to provide programs and services that the commissioner determines to be new and innovative in serving veterans and their families.

Sec. 3. Minnesota Statutes 2020, section 197.608, subdivision 6, is amended to read:

Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of $7,500 for the following purposes:

(1) to provide outreach to the county's veterans;

(2) to assist in the reintegration of combat veterans into society;

(3) to collaborate with other social service agencies, educational institutions, and other community organizations for the purposes of enhancing services offered to veterans;

(4) to reduce homelessness among veterans; and

(5) to enhance the operations of the county veterans service office.

(b) In addition to the grant amount in paragraph (a), each county is eligible to receive an additional annual grant under this paragraph. The amount of each additional annual grant must be determined by the commissioner and may not exceed:

(1) $0, if the county's veteran population is less than 1,000;

(2) $2,500, if the county's veteran population is 1,000 or more but less than 3,000;

(3) $5,000, if the county's veteran population is 3,000 or more but less than ~~4,999~~ 5,000;

(4) $7,500, if the county's veteran population is 5,000 or more but less than ~~9,999~~ 10,000;

(5) $10,000, if the county's veteran population is 10,000 or more but less than ~~19,999~~ 20,000;

(6) $15,000, if the county's veteran population is 20,000 or more but less than ~~29,999~~ 30,000; or

(7) $20,000, if the county's veteran population is 30,000 or more.

(c) The Minnesota Association of County Veterans Service Officers is eligible to receive an annual grant of ~~$50,000~~ $100,000. The grant shall be used for administrative costs of the association, certification of mandated county veterans service officer training and accreditation, and costs associated with reintegration services.

The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner.

Sec. 4. **[197.61] VETERANS SERVICE ORGANIZATIONS GRANT PROGRAM.**

Subdivision 1. **Grant program.** A veterans service organization grant program is established to provide grants to congressionally chartered veterans service organizations (VSO) to enhance the effectiveness of veterans services. The program shall be administered by the commissioner of veterans affairs.

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

(b) "Accredited representation" means providing representation under the authority granted by the VA to representatives, agents, and attorneys to assist claimants in the preparation, presentation, and prosecution of claims for VA benefits.

(c) "Commissioner" means the commissioner of veterans affairs or a designee.

(d) "Congressionally chartered veterans service organizations" are organizations that have been granted charters by Congress through the enactment of public laws. Each congressionally chartered VSO is listed in United States Code, title 36, subtitle II: Patriotic and National Organizations.

(e) "Department" means the Department of Veterans Affairs.

(f) "Full member" means a veteran who meets the requirements for membership in a congressionally chartered veterans service organization and is entitled to all of the rights and privileges thereof. Full member does not include an associate or auxiliary member.

(g) "VA" means the United States Department of Veterans Affairs.

Subd. 3. **Eligibility.** To be eligible for a grant under subdivision 6, a veterans service organization must provide:

(1) accredited representation for the preparation and presentation of veteran claims to the United States government for compensation and other benefits to which a veteran is entitled as a result of the veteran's military service;

(2) a state or department level veterans service officer to provide programs and services to veterans; or

(3) statewide transportation services to veterans.

Subd. 4. **Grant process.** (a) A grant may be used only for the purpose of enhancing the operations of congressionally chartered veterans service organizations.

(b) The commissioner shall provide a list of qualifying uses for grant expenditures as required in subdivision 5 and shall approve a grant for a qualifying use if there is sufficient grant money remaining in the grant program to cover the full amount of the grant.

Subd. 5. **Qualifying uses.** The commissioner shall develop a list of qualifying uses for grants awarded under this section.

Subd. 6. **Grant amount.** (a) Each congressionally chartered veterans service organization is eligible to receive an annual grant determined by the commissioner as follows:

(1) a dollar amount per full member for each organization member to be established by the commissioner. The dollar amount may be adjusted every biennium, subject to available funding; and

(2) a dollar amount for each organization, established by the commissioner, based on the organization's share of the VA claims workload for veterans and their dependents who reside in Minnesota. The VA claims workload must be reported as a percentage of the state's total VA workload.

(b) The VA claims workload for each congressionally chartered veterans service organization must be determined by a report supplied by the VA, as adopted by the commissioner.

Subd. 7. **Recapture.** If a congressionally chartered veterans service organization fails to use the grant for a qualified use approved by the commissioner or does not spend the allocated grant money, the commissioner shall seek recovery of the grant from the organization and the organization must repay the grant amount or any unused grant money.

Sec. 5. Minnesota Statutes 2020, section 197.79, subdivision 1, is amended to read:

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

(a) "Applicant" means a veteran or a veteran's guardian, conservator, or personal representative or a beneficiary or a beneficiary's guardian, conservator, or personal representative who has filed an application with the commissioner for a bonus under this section.

(b) "Application" means a request for a bonus payment by a veteran, a veteran's beneficiary, or a veteran's guardian, conservator, or personal representative through submission of written information on a form designed by the commissioner for this purpose.

(c) "Beneficiary" means in relation to a deceased veteran and in the order named:

(1) the surviving spouse, if not remarried;

(2) the children of the veteran, if there is no surviving spouse or the surviving spouse has remarried;

(3) the veteran's surviving parent or parents;

(4) the veteran's surviving sibling or siblings; or

(5) the veteran's estate.

(d) "Commissioner" means the commissioner of the Department of Veterans Affairs.

(e) "Department" means the Department of Veterans Affairs.

(f) "Eligibility period for the bonus" means the period from ~~August 2, 1990, to July 31, 1991~~ September 11, 2001, to August 30, 2021.

(g) "Guardian" or "conservator" means the legally appointed representative of a minor or incapacitated beneficiary or ~~incompetent~~ veteran, the chief officer of a hospital or institution in which the ~~incompetent~~ incapacitated veteran is placed if the officer is authorized to accept money for the benefit of the minor or ~~incompetent~~ incapacitated, the person determined by the commissioner to be the person who is legally charged with the responsibility for the care of the minor or incapacitated beneficiary or ~~incompetent~~ veteran, or the person determined by the commissioner to be the person who has assumed the responsibility for the care of the minor or incapacitated beneficiary or ~~incompetent~~ veteran.

(h) "Honorable service" means honorable federal service in the United States armed forces, as evidenced by:

(1) an honorable discharge;

(2) a general discharge under honorable conditions;

(3) in the case of an officer, a certificate of honorable service; or

(4) in the case of an applicant who is currently serving in active duty in the United States armed forces, a certificate from an appropriate service authority that the applicant's service to date has been honorable.

(i) "Incapacitated person" means an individual who, for reasons other than being a minor, lacks sufficient understanding or the capacity to make personal decisions and who is unable to meet the individual's own personal needs for medical care, nutrition, clothing, shelter, or safety even when assisted by appropriate technology or supported decision making.

~~(i)~~ (j) "Resident veteran" means a veteran who served in active duty in the United States armed forces at any time during the eligibility period for the bonus, and who also:

(1) has been separated or discharged from the United States armed forces, and ~~whose home of record at the time of entry into active duty in the United States armed forces, as indicated on the person's form DD 214 or other documents the commissioner may authorize, is the state of Minnesota~~ has lived in Minnesota for at least 30 days at the time of application with the intention of residing in the state and not for any temporary purpose. An applicant may verify a residence address by presenting a valid state driver's license; a state identification card; a voter registration card; a rent receipt; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other form of verification approved by the commissioner; or

(2) is currently serving in the United States armed forces, and has a certificate from an appropriate service authority stating that the person: (i) served in active duty in the United States armed forces at any time during the eligibility period for the bonus; and (ii) ~~had~~ has Minnesota listed as the veteran's home of record ~~at the time of entry into active duty in the United States armed forces~~ in the veteran's official military personnel file.

~~(j)~~ (k) "Service connected" means caused by an injury or disease incurred or aggravated while on active duty, as determined by the United States Department of Veterans Affairs.

~~(k)~~ (l) "Veteran" has the meaning given in section 197.447~~,~~ and does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training. Veteran also includes~~:~~

~~(1)~~ a person who is providing honorable service on active duty in the United States armed forces and has not been separated or discharged~~; or~~.

~~(2) a member of a reserve component of the armed forces of the United States, including the National Guard, who was ordered to active duty under United States Code, title 10, section 673b, during the eligibility period for the bonus and who was deployed to a duty station outside the state of Minnesota, as verified by the appropriate service authority. An applicant's DD 214 form showing eligibility for or award of the Southwest Asia service medal during the eligibility period for the bonus will suffice as verification.~~

~~"Veteran" does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training.~~

Sec. 6. Minnesota Statutes 2020, section 197.79, subdivision 2, is amended to read:

Subd. 2. **Bonus amount.** (a) For a resident veteran who provided honorable service in the United States armed forces at any time during the eligibility period for the bonus, the bonus amount is:

(1) ~~$300~~ $600, if the veteran did not receive the ~~Southwest Asia service medal~~ Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, or Afghanistan Campaign Medal during the eligibility period for the bonus;

(2) ~~$600~~ $1200, if the veteran received the ~~Southwest Asia service medal~~ Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, or Afghanistan Campaign Medal during the eligibility period for the bonus; or

(3) $2,000, if the veteran was eligible for the ~~Southwest Asia service medal~~ Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, or Afghanistan Campaign Medal during the eligibility period for the bonus, and died during that time period as a direct result of a service connected injury, disease, or condition.

(b) In the case of a deceased veteran, the commissioner shall pay the bonus to the veteran's beneficiary.

~~(c) No payment may be made to a veteran or beneficiary who has received a similar bonus payment from another state.~~

Sec. 7. Minnesota Statutes 2020, section 197.79, subdivision 3, is amended to read:

Subd. 3. **Application process.** A veteran, or the beneficiary of a veteran, entitled to a bonus may make application for a bonus to the department ~~on a form~~ as prescribed by the commissioner and verified by the applicant. If the veteran is ~~incompetent~~ incapacitated or the veteran's beneficiary is a minor or ~~incompetent~~ incapacitated, the application must be made by the person's guardian or conservator. An application must be accompanied by evidence of residency, honorable service, active duty service during the eligibility period for the bonus, and any other information the commissioner requires. The applicant must indicate on the application form the bonus amount for which the applicant expects to be eligible.

If the information provided in the application is incomplete, the department must notify the applicant in writing of that fact and must identify the items of information needed to make a determination. After notifying an applicant that the person's application is incomplete, the department shall hold the application open for up to 120 days while awaiting further information from the applicant, and the applicant may submit that information within the 120-day period without filing an appeal and request for review.

Sec. 8. Minnesota Statutes 2020, section 197.79, subdivision 5, is amended to read:

Subd. 5. **Notices.** Notices and correspondence to an applicant must be directed to the applicant by mail at the address listed in the application or electronically. Notices and correspondence to the commissioner must be addressed to the commissioner's office ~~in St. Paul~~ or the designated department system.

Sec. 9. Minnesota Statutes 2020, section 197.79, subdivision 10, is amended to read:

Subd. 10. **Deadline for applications.** The application period for the bonus program established in this section shall be ~~November 1, 1997, to June 30, 2001~~ July 1, 2022, to June 30, 2024. The department may not receive or accept new applications after June 30, ~~2001~~ 2024."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for military and veterans affairs; making policy and technical changes to various military and veterans affairs provisions, including provisions related to veterans housing, veterans benefits, veterans services, veterans bonus program, and veterans service office grant program; creating a veterans service organizations grant program; requiring a report; appropriating money; amending Minnesota Statutes 2020, sections 197.608, subdivisions 4, 6; 197.79, subdivisions 1, 2, 3, 5, 10; Minnesota Statutes 2021 Supplement, section 196.081; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 197."

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

The report was adopted.

Noor from the Committee on Workforce and Business Development Finance and Policy to which was referred:

H. F. No. 4355, A bill for an act relating to state government; making supplemental appropriations for the Department of Employment and Economic Development, Workers' Compensation Court of Appeals, and Bureau of Mediation Services; modifying Department of Employment and Economic Development policy provisions; replenishing the unemployment insurance trust fund; establishing paid family and medical benefits; establishing grant programs; amending Minnesota Statutes 2020, sections 13.719, by adding a subdivision; 116J.55, subdivision 6; 116J.552, subdivision 6; 116J.8747; 116J.8770; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; 177.27, subdivision 4; 181.032; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 268.19, subdivision 1; Minnesota Statutes 2021 Supplement, section 256P.01, subdivision 3; Laws 2019, First Special Session chapter 7, article 2, section 8, as amended; proposing coding for new law in Minnesota Statutes, chapter 116J; proposing coding for new law as Minnesota Statutes, chapter 268B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns under "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and

"2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**
Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$186,750,000**

Appropriations by Fund

	2020	2021
General Fund	-0-	161,000,000
Workforce Development	-0-	25,750,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Business and Community Development**	-0-	134,300,000

(a) $20,000,000 in fiscal year 2023 is for the main street economic revitalization program under Minnesota Statutes, section 116J.8749. This is a onetime appropriation and is available until June 30, 2025.

(b) $45,000,000 in fiscal year 2023 is for deposit in the spark small business loan program account under Minnesota Statutes, section 116J.9926. Of this amount, $10,000,000 is for loans to community businesses as defined in Minnesota Statutes, section 116J.8751. Beginning in fiscal year 2024, the base amount is $3,000,000.

(c) $20,000,000 in fiscal year 2023 is for deposit in the emerging developer fund account in the special revenue fund. Of this amount, up to five percent is for the administration and monitoring of the emerging developer fund program under Minnesota Statutes, section 116J.9926. Beginning in fiscal year 2024, the base amount is $1,000,000.

(d) $7,500,000 in fiscal year 2023 is for the Canadian border counties economic relief program. This is a onetime appropriation.

(e) $35,000,000 in fiscal year 2023 is for the small business recovery grant program. This is a onetime appropriation and is available until June 30, 2024.

(f) $800,000 in fiscal year 2023 is for a grant to Enterprise Minnesota, Inc., for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(g) $1,000,000 in fiscal year 2023 is for Join Us Minnesota campaign to market the state of Minnesota to businesses and potential workers. This appropriation is available until June 30, 2024. Of this amount, up to five percent is for administration and monitoring of the program. Beginning in fiscal year 2024, the base amount is $500,000.

(h) $2,000,000 in fiscal year 2023 is for a grant to the Center for Economic Inclusion for strategic, data-informed investments in job creation strategies that respond to the needs of underserved populations statewide. This may include pay-for-performance contracts with nonprofit organizations to provide outreach, training, and support services for dislocated and chronically underemployed people, as well as forgivable loans, revenue-based financing, and equity investments for entrepreneurs with barriers to growth. Of this amount, up to ten percent may be used for the center's technical assistance and administrative costs. This is a onetime appropriation.

(i)(1) $1,000,000 in fiscal year 2023 is for a grant to the Coalition of Asian American Leaders to address employment and economic disparities for Asian Minnesotan communities in response to the COVID-19 pandemic and incidents of bias by conducting and disseminating research and by providing grants, outreach, and technical assistance to Asian Minnesotan individuals, small businesses, and nonprofit organizations to navigate state programs and grants related to COVID-19 pandemic health and economic recovery challenges. This is a onetime appropriation and is available until December 31, 2024.

(2) The Coalition of Asian American Leaders must issue a report on the outcomes of the grant to the commissioner of employment and economic development by December 15, 2024.

(j) $2,000,000 in fiscal year 2023 is for a grant to Women's Foundation of Minnesota to invest in economic structures that educate, mobilize, and equip Black women with the necessary tools to build, retain, and strengthen the capacity to build generational wealth. This is a onetime appropriation.

Subd. 3. **Employment and Training Programs**		-0-	52,450,000
Appropriations by Fund			
General Fund		-0-	26,700,000
Workforce Development Fund		-0-	25,750,000

(a) $1,000,000 in fiscal year 2023 is for grants to organizations providing support services to new Americans in order to facilitate successful community integration and entry into the workforce. Services may include case management, job training and employment services, education programs, and legal services. Of this amount:

(1) $325,000 is for a grant to the International Institute of Minnesota;

(2) $325,000 is for a grant to the Minnesota Council of Churches;

(3) $223,000 is for a grant to Arrive Ministries; and

(4) $127,000 is for a grant to Catholic Charities of the Diocese of Winona, Inc.

This is a onetime appropriation.

(b) $750,000 in fiscal year 2023 is from the workforce development fund for a grant to the Minneapolis Park and Recreation Board's Teen Teamworks youth employment and training programs. This is a onetime appropriation and is available until spent.

(c)(1) $20,000,000 in fiscal year 2023 is from the workforce development fund for grants to Minnesota's 16 local workforce development boards for strategies identified in local Workforce Innovation and Opportunity Act plans to address Minnesota's current workforce shortages by supporting training for unemployed and underemployed Minnesotans and the earning of industry-recognized credentials to equip workers with in-demand skills. Allowable uses of money include but are not limited to helping job seekers prepare for and find jobs, providing services to employers, supporting CareerForce locations, and conducting marketing and outreach for CareerForce services. Grant money must not be used for administrative costs. Grants shall be distributed consistent with the distribution and utilization of money under federal legislation regarding job training and related services. This is a onetime appropriation and is available until expended.

(2) By January 15 of each year that grant money is used, beginning in 2023, all grant recipients shall submit a report to the governor's Workforce Development Board that details the use of grant money, including the number of businesses, job seekers, and other stakeholders served.

(d) $5,000,000 in fiscal year 2023 is from the workforce development fund for a youth technology competitive training grant program to prepare people who are Black, Indigenous, people of color, or women to meet the growing labor needs in

Minnesota's technology industry. This is a onetime appropriation and money is available until June 30, 2024. Of this amount, up to five percent is for administration and monitoring of the program. Grant money must be used to:

(1) provide career education, wraparound support services, and job skills training for high school aged youth in the technology industry;

(2) increase the number of summer internship opportunities in the technology industry;

(3) support outreach activities to businesses and create pathways for employment and internships for youth in the technology industry; and

(4) increase the number of young adults employed in the technology industry and ensure that they reflect Minnesota's diverse workforce.

Programs and services supported by grant money must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the technology industry, including but not limited to women, veterans, and members of minority and immigrant groups.

(e) $470,000 in fiscal year 2023 is for activities associated with the Office for New Americans in Minnesota Statutes, section 116J.4231. Beginning in fiscal year 2024, the base amount is $500,000.

(f) $25,230,000 in fiscal year 2023 is for the targeted community capital project grant program under Minnesota Statutes, section 116J.9924. This is a onetime appropriation.

Sec. 3. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Business and Community Development**	208,015,000	~~44,741,000~~ 58,741,000

Appropriations by Fund

General	205,215,000	~~41,941,000~~ 55,941,000
Remediation	700,000	700,000
Workforce Development	2,100,000	2,100,000

(a) $1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2025.

(b) $8,425,000 in the first year and ~~$1,425,000~~ $6,425,000 in the second year are for the small business partnership grant program formerly known as the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the ~~business development competitive grant~~ program and $7,000,000 in the first year ~~is~~ and $5,000,000 in the second year are for technical assistance to small businesses. Funding for technical assistance to small businesses in the second year shall be divided proportionately between program grantees from the first year. Except for awards for technical assistance for small businesses, all grant awards shall be for two consecutive years~~. Grants~~ and shall be awarded in the first year. The small business partnership grant program shall also provide business development assistance and services to commercial cooperatives, employee-owned businesses, and commercial land trusts. Beginning in fiscal year 2024, the base amount is $4,925,000 of which $1,500,000 is for technical assistance to small businesses participating in the spark small business loan program under Minnesota Statutes, section 116J.8751.

(c) $1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(d) $700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(e) $139,000 each year is for the Center for Rural Policy and Development.

(f) $25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(g) $875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(h)(1) $2,500,000 ~~each year is~~ the first year and $6,500,000 the second year are for grants to local communities to increase the number of quality child care providers to support economic development. This appropriation is available through June 30, 2023. Fifty percent of grant funds must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. In fiscal year 2024 and beyond, the base amount is $1,500,000.

(2) Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant funds available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

(3) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(i) $1,500,000 each year is for a grant to the Minnesota Initiative Foundations. This appropriation is available until June 30, 2025. In fiscal year 2024 and beyond, the base amount is $1,000,000. The Minnesota Initiative Foundations must use grant funds under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost

training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

The Minnesota Initiative Foundations are authorized to subgrant their allocation to partner organizations who are assisting in their child care work.

(j) $8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended.

(k) $10,029,000 the first year and $10,028,000 the second year are for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2024 and beyond, the base amount is $12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(l) ~~$0 each~~ $5,000,000 in the second year is for the redevelopment program under Minnesota Statutes, sections ~~116J.575~~ 116J.571 and 116J.5761. This appropriation is available until spent. In fiscal year 2024 and beyond, the base amount is ~~$2,246,000~~ $3,496,000.

(2) For funding in fiscal year 2023, the commissioner shall prioritize applications from development authorities located in low-income areas, defined as:

(i) a census tract that has a poverty rate of at least 20 percent, as reported by the United States Bureau of the Census in the most recent American Community Survey;

(ii) a qualified census tract, as defined under United States Code, title 26, section 42; or

(iii) a census tract, city, township, or county in which ten percent of the population have an annual income of 200 percent or less of the federal poverty level.

(3) Notwithstanding any other law to the contrary, no local matching funds are required from development authorities located in low-income areas in fiscal year 2023 and state funds may be used for 100 percent of the cost of the projects.

(m) $1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(n) $325,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of $1 in matching contributions of money or in-kind contributions from nonstate sources for every $3 provided by this appropriation, except that each year up to $50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(o) $12,000 each year is for a grant to the Upper Minnesota Film Office.

(p) $500,000 each year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2025.

(q) $4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(r) $1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(s) $2,500,000 each year is for Launch Minnesota. This appropriation is available until June 30, 2025. The base in fiscal year 2026 is $0. Of this amount:

(1) $1,500,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) $500,000 each year is for administration of Launch Minnesota; and

(3) $500,000 each year is for grantee activities at Launch Minnesota.

(t) $1,148,000 the first year is for a grant to the Northeast Entrepreneur Fund, a small business administration microlender and community development financial institution operating in northern Minnesota. Grant funds must be used as capital for accessing additional federal lending for small businesses impacted by COVID-19 and must be returned to the commissioner for deposit in the general fund if the Northeast Entrepreneur Fund fails to secure such federal funds before January 1, 2022.

(u) $80,000,000 the first year is for the Main Street Economic Revitalization Loan Program. Of this amount, up to $300,000 is for the commissioner's administration and monitoring of the program. This appropriation is available until June 30, 2025.

(v) $70,000,000 the first year is for the Main Street COVID-19 Relief Grant Program. Of this amount, up to:

(1) $34,950,000 is for grants to the Minnesota Initiative Foundations to serve businesses outside of the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) $34,950,000 is for grants to partner organizations to serve businesses inside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2; and

(3) $100,000 is for the commissioner's administration and monitoring of the program.

(w) $250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(x) $500,000 each year is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439. In awarding grants with this appropriation, the commissioner must prioritize eligible applicants that did not receive a grant pursuant to the appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, paragraph (q).

(y) $750,000 each year is from the workforce development fund for grants to the Neighborhood Development Center for small business programs, including:

(1) training, lending, and business services;

(2) model outreach and training in greater Minnesota; and

(3) development of new business incubators.

This is a onetime appropriation.

(z) $5,000,000 in the first year is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This appropriation is available until April 1, 2022.

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

Sec. 4. Laws 2021, First Special Session chapter 14, article 11, section 42, is amended to read:

Sec. 42. **APPROPRIATION; MEAT PROCESSING BUSINESSES IN REDEVELOPMENT AREA.**

Of an appropriation in fiscal year 2022 for the targeted community capital project grant program under Minnesota Statutes, section 116J.9924, the commissioner of employment and economic development must grant $6,000,000 ~~for one or more grants to any business engaged in the meat processing industry and currently conducting operations in a building or buildings constructed on or before January 1, 1947, and located in a city of the second class that was designated as a redevelopment area by the United States Department of Commerce under the Public Works and Economic Development Act of 1965, Public Law 89-136, title IV, section 401(a)(4). This appropriation includes: site acquisition costs; relocation costs; predesign; design; sewer, water, and stormwater infrastructure; site preparation; engineering; and the cost of improvements to real property locally zoned to allow a meat processing land use that are incurred by any qualified business under this section. A grantee under this section must work in consultation with a local government unit with jurisdiction over the area where the property is located on activities funded by the grant. This is a onetime appropriation. A grant issued under this section is not subject to the grant requirements under Minnesota Statutes, section 116J.9924.~~ to the city of South St. Paul for economic development, redevelopment, and job creation and retention programs and projects. This grant is not subject to the requirements under Minnesota Statutes, chapter 116J.

Sec. 5. **CANCELLATION AND APPROPRIATION.**

(a) All unspent money, estimated to be $889,000, appropriated under Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 2, paragraphs (k) and (l), is canceled to the general fund.

(b) All money canceled under paragraph (a) is appropriated in fiscal year 2023 to the commissioner of employment and economic development for the targeted community capital project grant program under Minnesota Statutes, section 116J.9924. This is a onetime appropriation.

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

ARTICLE 2
ECONOMIC DEVELOPMENT POLICY

Section 1. **[116J.015] EXPIRATION OF REPORT MANDATES.**

(a) If the submission of a report by the commissioner of employment and economic development to the legislature is mandated by law and the enabling legislation does not include a date for the submission of a final report, the mandate to submit the report expires according to this section.

(b) If the mandate requires the submission of an annual report and the mandate was enacted before January 1, 2021, the mandate expires January 1, 2023. If the mandate requires the submission of a biennial or less frequent report and the mandate was enacted before January 1, 2021, the mandate expires January 1, 2024.

(c) Any reporting mandate enacted on or after January 1, 2021, expires three years after the date of enactment if the mandate requires the submission of an annual report and expires five years after the date of enactment if the mandate requires the submission of a biennial or less frequent report unless the enacting legislation provides for a different expiration date.

(d) The commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development by February 15 of each year, beginning February 15, 2022, a list of all reports set to expire during the following calendar year according to this section.

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

Sec. 2. **[116J.4231] OFFICE OF NEW AMERICANS.**

Subdivision 1. **Office established; purpose.** (a) The Office of New Americans is established within the Department of Employment and Economic Development. The governor must appoint an executive director who serves in the unclassified service. The executive director must hire a program manager and an office assistant, as well as any staff necessary to carry out the office's duties under subdivision 2.

(b) The purpose of the office is to serve immigrants and refugees in Minnesota by:

(1) addressing challenges that face immigrants and refugees in Minnesota, and creating access in economic development and workforce programs and services;

(2) providing interstate agency coordination, policy reviews, and guidance that assist in creating access to immigrants and refugees.

Subd. 2. **Duties.** (a) The office has the duty to:

(1) create and implement a statewide strategy to support immigrant and refugee integration into Minnesota communities;

(2) address the state's workforce needs by connecting employers and job seekers within the immigrant and refugee community;

(3) identify strategies to reduce employment barriers for immigrants and refugees;

(4) ensure equitable opportunities and access to services within state government for immigrants and refugees;

(5) work with state agencies and community and foundation partners to undertake studies and research and analyze economic and demographic trends to better understand and serve the state's immigrant and refugee communities;

(6) coordinate and establish best practices for language access initiatives to all state agencies;

(7) convene stakeholders and make policy recommendations to the governor on issues impacting immigrants and refugees;

(8) promulgate rules necessary to implement and effectuate this section;

(9) provide an annual report, as required by subdivision 3;

(10) perform any other activities consistent with the office's purpose.

Subd. 3. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office of New Americans shall report to the legislative committees with jurisdiction over the office's activities during the previous year.

(b) The report shall contain, at a minimum:

(1) a summary of the office's activities;

(2) suggested policies, incentives, and legislation designed to accelerate the achievement of the duties under subdivision 2;

(3) any proposed legislative and policy initiatives;

(4) the amount and types of grants awarded under subdivision 6; and

(5) any other information deemed necessary and requested by the legislative committees with jurisdiction over the office.

(c) The report may be submitted electronically and is subject to section 3.195, subdivision 1.

Subd. 4. **Interdepartmental Coordinating Council on Immigrant and Refugee Affairs.** (a) An interdepartmental Coordinating Council on Immigrant and Refugee Affairs is established to advise the Office of New Americans.

(b) The purpose of the council is to identify and establish ways in which state departments and agencies can work together to deliver state programs and services effectively and efficiently to Minnesota's immigrant and refugee populations. The council shall implement policies, procedures, and programs requested by the governor through the state departments and offices.

(c) The council shall be chaired by the executive director of the Office of New Americans and shall be comprised of the commissioners, department directors, or designees, from the following state departments and offices:

(1) the governor's office;

(2) the Department of Administration;

(3) the Department of Employment and Economic Development;

(4) the Department of Human Services;

(5) the Department of Human Services Resettlement Program Office;

(6) the Department of Labor and Industry;

(7) the Department of Health;

(8) the Department of Education;

(9) the Office of Higher Education;

(10) the Department of Public Safety;

(11) the Department of Corrections; and

(12) the Office of New Americans.

(d) Each department or office serving as a member of the council shall designate one staff member as an immigrant and refugee services liaison. The liaisons' responsibilities shall include:

(1) preparation and dissemination of information and services available to immigrants and refugees;

(2) interfacing with the Office of New Americans on issues that impact immigrants and refugees and their communities; and

(3) where applicable, serving as the point of contact for immigrants and refugees accessing resources both within the department and with boards charged with oversight of a profession.

Subd. 5. **No right of action.** Nothing in this section shall be construed to create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the state; its departments, agencies, or entities; its officers, employees, or agents; or any other person.

Subd. 6. **Grants.** Within the limits of available appropriations, the office may apply for grants for interested state agencies, community partners, and stakeholders under this section to carry out the duties under subdivision 2.

Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city, town, federally recognized Tribe, or, in the case of unorganized territory, the county in which the site is located.

Sec. 4. Minnesota Statutes 2020, section 116J.8747, is amended to read:

116J.8747 JOB TRAINING PROGRAM GRANT.

Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified job training program from money appropriated for the purposes of this section as follows:

~~(1) an $11,000 placement grant paid to a job training program upon placement in employment of a qualified graduate of the program; and~~

~~(2) an $11,000 retention grant paid to a job training program upon retention in employment of a qualified graduate of the program for at least one year.~~

(1) up to ten percent of the appropriation may be allocated for administrative expenses by the program;

(2) up to 20 percent of the appropriation may be allocated for direct service expenses by the program;

(3) a placement grant paid to a job training program upon placement in employment of a qualified graduate of the job training program as follows:

(i) $2,500 for placement in part-time employment (20 hours a week or more) of at least 150 percent of the state minimum wage hourly;

(ii) $2,500 for placement in full-time employment (32 hours a week or more) at the state minimum wage but below 150 percent of the state minimum wage hourly; and

(iii) $5,000 for placement in full-time employment (32 hours a week or more) of at least 150 percent of the state minimum wage hourly; and

(4) a retention grant paid to a job training program upon retention in employment of a qualified graduate of the job training program for at least one year as follows:

(i) $5,000 for one year of retained part-time employment (20 hours a week or more) of at least 150 percent of the state minimum wage;

(ii) $5,000 for one year of retained full-time employment (32 hours a week or more) at the state minimum wage but below 150 percent of the state minimum wage; and

(iii) $10,000 for one year of retained full-time employment (32 hours a week or more) of at least 150 percent of the state minimum wage hourly.

Subd. 2. **Qualified job training program.** To qualify for grants under this section, a job training program must satisfy the following requirements:

(1) the program must be operated by a nonprofit corporation that qualifies under section 501(c)(3) of the Internal Revenue Code;

(2) the program may spend up to $5,500 in total training per participant;

(3) the program must provide education and training in:

(i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics, and communications;

(ii) long-term plans for success including participant coaching for two years after placement;

(iii) soft skills, including skills critical to success on the job; and

(iv) access to internships, technology training, personal and emotional intelligence skill development, and other support services;

(4) the program may provide ~~income supplements not to exceed $2,000 per participant~~ support services, when needed, to participants for housing, counseling, tuition, and other basic needs;

(5) individuals served by the program must be 18 years of age or older as of the date of enrollment, and have household income in the six months immediately before entering the program that is 200 percent or less of the federal poverty guideline for Minnesota, based on family size; and

(6) the program must be certified by the commissioner of employment and economic development, or the commissioner's designee, as meeting the requirements of this subdivision.

Subd. 3. **~~Graduation and retention grant~~ Employment requirements.** ~~For purposes of a placement grant under this section, a qualified graduate is a graduate of a job training program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at least the current state minimum wage. To qualify for a retention grant under this section for a retention fee, a job in which the graduate is retained must pay at least the current state minimum wage.~~ (a) For employment to qualify under subdivision 1, the employment must be permanent, unsubsidized, private or public sector employment, eligible for unemployment insurance under section 268.035, or otherwise eligible for unemployment insurance under section 268.035 if hours were above 32 per week.

(b) Programs are limited to one placement and one retention payment for a qualified graduate in a performance program within the two years following a placement or retention payment made under this section.

Subd. 4. **Duties of program.** (a) A program certified by the commissioner under subdivision 2 must comply with the requirements of this subdivision.

(b) A program must maintain and provide upon request records for each qualified graduate in compliance with state record retention requirements. The records must include information sufficient to verify the graduate's eligibility under this section, identify the employer, and describe the job including its compensation rate ~~and~~, benefits, and average hours per week.

(c) A program is subject to the reporting requirements under section 116L.98.

Sec. 5. Minnesota Statutes 2021 Supplement, section 116J.8749, is amended to read:

116J.8749 MAIN STREET ECONOMIC REVITALIZATION PROGRAM.

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

(b) "Borrower" means an eligible recipient receiving a loan guaranteed or capitalized under this section.

(c) "Capitalized loan" means a loan for which the state provides up to 20 percent of the loan funding with the state funds payment subordinate in the event of default.

~~(c)~~ (d) "Commissioner" means the commissioner of employment and economic development.

~~(d)~~ (e) "Eligible project" means the development, redevelopment, demolition, site preparation, predesign, design, engineering, repair, or renovation of real property or capital improvements. Eligible projects must be designed to address the greatest economic development and redevelopment needs that have arisen in the community surrounding that real property since March 15, 2020. Eligible project includes but is not limited to the construction of buildings, infrastructure, and related site amenities, landscaping, or street-scaping. Eligible project does not include the purchase of real estate or business operations or business operating expenses, such as inventory, wages, or working capital.

~~(e)~~ (f) "Eligible recipient" means a:

(1) business;

(2) nonprofit organization; or

(3) developer

that is seeking funding to complete an eligible project. Eligible recipient does not include a partner organization or a local unit of government.

~~(f)~~ (g) "Guaranteed loan" means a loan guaranteed by the state for 80 percent of the loan amount for a maximum period of 15 years from the origination of the loan.

~~(g)~~ (h) "Leveraged grant" means a grant that is matched by the eligible recipient's commitment to the eligible project of nonstate funds at a level of 200 percent of the grant amount. The nonstate match may include but is not limited to funds contributed by a partner organization and insurance proceeds.

~~(h)~~ (i) "Loan guarantee trust fund" means a dedicated account established under this section for the purpose of compensation for defaulted loan guarantees.

(j) "Low-income area" means a census tract that has a poverty rate of at least 20 percent as reported in the most recently completed decennial census published by the United States Bureau of the Census.

~~(i)~~ (k) "Partner organizations" or "partners" means:

(1) foundations engaged in economic development;

(2) community development financial institutions; and

(3) community development corporations.

~~(j)~~ (l) "Program" means the Main Street Economic Revitalization Program under this section.

~~(k)~~ (m) "Subordinated loan" means a loan secured by a lien that is lower in priority than one or more specified other liens.

Subd. 2. **Establishment.** The commissioner shall establish the Main Street Economic Revitalization Program to make grants to partner organizations to fund leveraged grants, capitalized loans, and guaranteed loans to specific named eligible recipients for eligible projects that are designed to address the greatest economic development and redevelopment needs that have arisen in the surrounding community since March 15, 2020.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to partner organizations to provide leveraged grants, capitalized loans, and guaranteed loans to eligible recipients using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) To be eligible for a grant, a partner organization must:

(1) outline a plan to provide leveraged grants, capitalized loans, and guaranteed loans to eligible recipients for specific eligible projects that represent the greatest economic development and redevelopment needs in the surrounding community. This plan must include an analysis of the economic impact of the eligible projects the partner organization proposes to make these investments in;

(2) establish a process of ensuring there are no conflicts of interest in determining awards under the program; and

(3) demonstrate that the partner organization has raised funds for the specific purposes of this program to commit to the proposed eligible projects or will do so within the 15-month period following the encumbrance of funds. Existing assets and state or federal funds may not be used to meet this requirement.

(c) Grants shall be made in up to three rounds:

(1) a first round with an application date before September 1, 2021, during which no more than 50 percent of available funds will be granted;

(2) a second round with an application date after September 1, 2021, but before March 1, 2022; and

(3) a third round with an application date after June 30, 2023, if any funds remain after the first two rounds.

A partner may apply in multiple rounds for projects that were not funded in earlier rounds or for new projects.

(d) Up to four percent of a grant under this subdivision may be used by the partner organization for administration and monitoring of the program.

Subd. 4. **Award criteria.** In awarding grants under this section, the commissioner shall give funding preference to applications that:

(1) have the greatest regional economic impact under subdivision 3, paragraph (b), clause (1), particularly with regard to increasing the local tax base; and

(2) have the greatest portion of the estimated cost of the eligible projects met through nonstate funds.

Subd. 5. **Leveraged grants to eligible recipients.** (a) A leveraged grant to an eligible recipient shall be for no more than $750,000.

(b) A leveraged grant may be used to finance no more than 30 percent of an eligible project.

(c) An eligible project must have secured commitments for all required matching funds and all required development approvals before a leveraged grant may be distributed.

(d) The commissioner may waive the matching fund requirement for projects located in low-income areas.

Subd. 6. **Capitalized and guaranteed loans to eligible recipients.** (a) A capitalized or guaranteed loan to an eligible recipient must:

(1) be for no more than $2,000,000; and

(2) be for a term of no more than 15 years~~; and~~.

~~(3)~~ (b) All capitalized loans shall comply with the terms under subdivision 6a and all guaranteed loans shall comply with the terms under subdivision 7.

~~(b)~~ (c) An eligible project must have all required development approvals before a capitalized or guaranteed loan may be distributed.

(d) Upon origination of a capitalized loan, the commissioner shall authorize disbursement of up to 20 percent of the loan amount to the partner organization.

~~(c)~~ (e) Upon origination of a guaranteed loan, the commissioner must reserve ten percent of the loan amount into the loan guarantee trust fund created under subdivision 8.

~~(d)~~ (f) No capitalized or guaranteed loan may be made to an eligible recipient after December 31, 2024.

Subd. 6a. **Required terms for capitalized loans.** For a capitalized loan under the program:

(1) principal and interest payments made by the borrower under the terms of the loan shall be allocated first to the nonstate portion of the loan and second to the state portion of the loan;

(2) the partner organization shall not accelerate repayment of the loan or exercise other remedies if the borrower defaults, unless:

(i) the borrower fails to make a required payment of principal or interest within 60 days of the due date; or

(ii) the commissioner consents in writing;

(3) the partner organization must timely prepare and deliver to the commissioner, annually by the date specified in the loan agreement, an audited or reviewed financial statement for the loan, prepared by a certified public accountant according to generally accepted accounting principles, if available, and documentation that the borrower used the loan proceeds solely for an eligible project;

(4) the commissioner shall have access to loan documents at any time subsequent to the loan documents being submitted to the partner organization;

(5) the partner organization must maintain adequate records and documents concerning the loan so that the commissioner may determine the borrower's financial condition and compliance with program requirements;

(6) the state portion of the loan may be subordinate to other loans made by lenders in the overall financing package; and

(7) repayments of the state portion of the loan may be retained by the partner organization for capitalizing additional redevelopment projects.

Subd. 7. **Required terms for guaranteed loans.** For a guaranteed loan under the program:

(1) principal and interest payments made by the borrower under the terms of the loan are to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis. The nonguaranteed portion shall not receive preferential treatment over the guaranteed portion;

(2) the partner organization shall not accelerate repayment of the loan or exercise other remedies if the borrower defaults, unless:

(i) the borrower fails to make a required payment of principal or interest within 60 days of the due date; or

(ii) the commissioner consents in writing;

(3) in the event of a default, the partner organization may not make a demand for payment pursuant to the guarantee unless the commissioner agrees in writing that the default has materially affected the rights or security of the parties;

(4) the partner organization must timely prepare and deliver to the commissioner, annually by the date specified in the loan guarantee, an audited or reviewed financial statement for the loan, prepared by a certified public accountant according to generally accepted accounting principles, if available, and documentation that the borrower used the loan proceeds solely for an eligible project;

(5) the commissioner shall have access to loan documents at any time subsequent to the loan documents being submitted to the partner organization;

(6) the partner organization must maintain adequate records and documents concerning the loan so that the commissioner may determine the borrower's financial condition and compliance with program requirements;

(7) orderly liquidation of collateral securing the loan must be provided for in the event of default, pursuant to the loan guarantee; and

(8) the guaranteed portion of the loan may be subordinate to other loans made by lenders in the overall financing package.

Subd. 8. **Loan guarantee trust fund established.** A loan guarantee trust fund account in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees. The commissioner shall administer this account. The day that this section expires, all remaining funds in the account are canceled to the general fund.

Subd. 9. **Statewide program.** In proportion to eligible demand, leveraged grants, capitalized loans, and guaranteed loans under this section shall be made so that an approximately equal dollar amount of leveraged grants, capitalized loans, and guaranteed loans are made to businesses in the metropolitan area as in the nonmetropolitan area, not to exceed 65 percent in any one area. After June 30, 2023, the department may allow leveraged grants, capitalized loans, and guaranteed loans to be made anywhere in the state without regard to geographic area.

Subd. 10. **Exemptions.** All grants and grant-making processes under this section are exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. The commissioner must audit the use of funds under this section in accordance with standard accounting practices. The exemptions under this subdivision expire on December 31, 2023.

Subd. 11. **Reports.** (a) By January 31, 2022, and annually until December 31, 2026, after which biennial reporting will be permitted after the commissioner consults with the legislature, partner organizations participating in the program must provide a report to the commissioner that includes descriptions of the eligible projects supported by the program, the type and amount of support provided, any economic development gains attributable to the support, and an explanation of administrative expenses.

(b) By February 15, 2022, and annually until December 31, 2026, after which biennial reporting will be permitted after the commissioner consults with the legislature, the commissioner must report to the legislative committees in the house of representatives and senate with jurisdiction over economic development about funding provided under this program based on the information received under paragraph (a) and about the performance of the loan guarantee trust fund.

Subd. 12. **Expiration.** This section expires December 31, 2036.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2021.

Sec. 6. **[116J.8751] SPARK SMALL BUSINESS LOAN PROGRAM.**

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

(b) "Account" means the spark small business loan program account created under subdivision 5.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Community business" means a cooperative, an employee-owned business, or a commercial land trust that is at least 51 percent owned by individuals from targeted groups.

(e) "Immigrant" means a lawful permanent resident who has been in the United States for a maximum of seven years at the time of application.

(f) "Partner organization" means a community development financial institution or nonprofit corporation.

(g) "Program" means the spark small business loan program established under this section.

(h) "Targeted groups" means people who are Black, Indigenous, People of Color, immigrants, low income, women, veterans, or people with disabilities.

Subd. 2. **Establishment.** The spark small business loan program is established to award grants to partner organizations to fund loans statewide to businesses that employ the equivalent of 50 full-time workers or less, to encourage private investment, provide jobs, create and strengthen business enterprises, and promote economic development.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall award grants to partner organizations through a competitive grant process where applicants apply using a form designed by the commissioner. In evaluating applications, the commissioner must consider, among other things, whether the applicant:

(1) has a board of directors that includes citizens experienced in business and community development and creating jobs;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account or has operated a revolving loan account; and

(6) can work with job referral networks.

(b) The commissioner shall ensure that, to the extent there is sufficient eligible demand, loans are made to businesses inside and outside the metropolitan area, as defined in section 473.121, subdivision 2, in a manner approximating each region's proportion of the state population. After March 31 of each fiscal year, the commissioner may allow loans to be made anywhere in the state without regard to geographic area.

(c) Partner organizations that receive grants under this subdivision may use up to ten percent of the award for administrative expenses, including providing specialized technical and legal assistance, either directly or through partnership with nonprofit organizations, to businesses eligible to apply for loans under this program.

(d) The commissioner shall review existing agreements with partner organizations every five years and may renew or terminate the agreement based on that review. In making the review, the commissioner shall consider, among other criteria, the criteria in paragraph (a).

Subd. 4. **Loans to businesses.** (a) A partner organization that receives a grant under subdivision 3 shall establish a plan for making loans to businesses. The plan requires approval by the commissioner.

(b) Under the plan:

(1) the partner organization shall establish a commissioner-certified revolving loan fund for the purpose of making loans to businesses;

(2) loans shall be for projects that are unlikely to be undertaken unless a loan is received under the program;

(3) a partner organization may not make a loan to a project in which it has an ownership interest;

(4) the state contribution to each loan shall be no less than $5,000 and no more than:

(i) $35,000 if the loan is for a retail development project;

(ii) $600,000 if the loan is for a community business; and

(iii) $150,000 for all other loans;

(5) the interest rate on a loan shall not be higher than the Wall Street Journal prime rate and may be zero;

(6) loans shall be for a maximum term of seven years;

(7) the partner organization may charge a loan origination fee of no more than one percent of the loan value and may retain that origination fee;

(8) a loan application given preliminary approval by the partner organization must be forwarded to the commissioner for final approval;

(9) repayments may be deferred for up to one year if justified by the project proposed and approved by the commissioner;

(10) all repayments of interest on loans shall be deposited in the partner organization's revolving loan fund for use in making further loans consistent with this section;

(11) all repayments of loan principal must be paid to the commissioner for deposit in the spark small business loan program account; and

(12) up to ten percent of a loan's principal amount may be forgiven if the commissioner approves and the borrower has met lender criteria, including being current with all payments.

Subd. 5. **Creation of account.** A spark small business loan program account is created in the special revenue fund in the state treasury. Money in the account is appropriated to the commissioner for the grants under this section. Annually, the commissioner may use an amount equal to no more than four percent of the value of grants made in the previous year for the administrative costs of the program. In fiscal year 2023, the commissioner may use $500,000 for administration. Notwithstanding section 16A.28, money deposited in the account from any source is available until expended.

Subd. 6. **Reporting requirements.** (a) A partner organization that receives a grant shall:

(1) submit an annual report to the commissioner by February 15 of each year, beginning in 2024, that includes a description of businesses supported by the program, an account of loans made during the calendar year, the program's impact on business enterprises and job creation, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

(b) By March 1 of each year, beginning in 2024, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development on program outcomes, including copies of all reports and audits received under paragraph (a).

Sec. 7. Minnesota Statutes 2020, section 116J.8770, is amended to read:

116J.8770 EQUITY INVESTMENTS.

The commissioner may invest funds from the capital access account to make equity investments in ~~community development~~ early stage and venture capital funds for the purpose of providing capital for small and emerging businesses. The ~~community development~~ early stage and venture capital fund must have experience in equity investments with small businesses and the ability to raise private capital.

Sec. 8. Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 4, is amended to read:

Subd. 4. **Grant amount; project phasing.** (a) The commissioner shall award grants in an amount not to exceed ~~$1,500,000~~ $3,000,000 per grant.

(b) A grant awarded under this section must be no less than the amount required to complete one or more phases of the project, less any nonstate funds already committed for such activities.

Sec. 9. **[116J.9926] EMERGING DEVELOPER FUND PROGRAM.**

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

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Disadvantaged community" means a community where the median household income is less than 80 percent of the area median income.

(d) "Eligible project" means a project that is based in Minnesota and meets one or more of the following criteria:

(1) it will stimulate community stabilization or revitalization;

(2) it will be located within a census tract identified as a disadvantaged community or low-income community;

(3) it will directly benefit residents of a low-income household;

(4) it will increase the supply and improve the condition of affordable housing and homeownership;

(5) it will support the growth needs of new and existing community-based enterprises that promote economic stability or improve the supply or quality of job opportunities; or

(6) it will promote wealth creation, including by being a project in a neighborhood traditionally not served by real estate developers.

(e) "Emerging developer" means a developer who:

(1) has limited access to loans from traditional financial institutions; or

(2) is a new or smaller developer who has engaged in educational training in real estate development; and

(3) is either a:

(i) minority as defined in section 116M.14, subdivision 6;

(ii) woman;

(iii) person with a disability, as defined in section 116M.14, subdivision 9; or

(iv) low-income person.

(f) "Low-income person" means a person who:

(1) has a household income at or below 200 percent of the federal poverty level; or

(2) has a family income that does not exceed 60 percent of the area median income as determined by the United States Department of Housing and Urban Development.

(g) "Partner organization" means a community development financial institution or a similarly qualified nonprofit corporation, as determined by the commissioner.

(h) "Program" means the emerging developer fund program created under this section.

Subd. 2. **Establishment.** The commissioner shall establish an emerging developer fund program to make grants to partner organizations to make loans to emerging developers for eligible projects to transform neighborhoods statewide and promote economic development and the creation and retention of jobs in Minnesota. The program must also reduce racial and socioeconomic disparities by growing the financial capacity of emerging developers.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall design a competitive process to award grants to partner organizations to make loans to emerging developers under subdivision 4.

(b) A partner organization may use up to ten percent of grant funds for the administrative costs of the program.

Subd. 4. **Loans to emerging developers.** (a) Through the program, partner organizations shall offer emerging developers predevelopment, construction, and bridge loans for eligible projects according to a plan submitted to and approved by the commissioner.

(b) Predevelopment loans must be for no more than $50,000. All other types of loans must be for no more than $500,000.

(c) Loans must be for a term set by the partner organization and approved by the commissioner of no less than six months and no more than five years, depending on the use of loan proceeds.

(d) Loans must be for zero interest or an interest rate of no more than the Wall Street Journal prime rate, as determined by the partner organization and approved by the commissioner based on the individual project risk and type of loan sought.

(e) Loans must have flexible collateral requirements compared to traditional loans, but may require a personal guaranty from the emerging developer and may be largely unsecured when the appraised value of the real estate is low.

(f) Loans must have no prepayment penalties and are expected to be repaid from permanent financing or a conventional loan, once that is secured.

(g) Loans must have the ability to bridge many types of receivables, such as tax credits, grants, developer fees, and other forms of long-term financing.

(h) At the partner organization's request and the commissioner's discretion, an emerging developer may be required to work with an experienced developer or professional services consultant who can offer expertise and advice throughout the development of the project.

(i) All loan repayments must be paid into the emerging developer fund account created in this section to fund additional loans.

Subd. 5. **Eligible expenses.** (a) The following are eligible expenses for a predevelopment loan under the program:

(1) earnest money or purchase deposit;

(2) building inspection fees and environmental reviews;

(3) appraisal and surveying;

(4) design and tax credit application fees;

(5) title and recording fees;

(6) site preparation, demolition, and stabilization;

(7) interim maintenance and project overhead;

(8) property taxes and insurance;

(9) construction bonds or letters of credit;

(10) market and feasibility studies; and

(11) professional fees.

(b) The following are eligible expenses for a construction or bridge loan under the program:

(1) land or building acquisition;

(2) construction-related expenses;

(3) developer and contractor fees;

(4) site preparation and demolition;

(5) financing fees, including title and recording;

(6) professional fees;

(7) carrying costs;

(8) construction period interest;

(9) project reserves; and

(10) leasehold improvements and equipment purchase.

Subd. 6. **Emerging developer fund account.** An emerging developer fund account is created in the special revenue fund in the state treasury. Money in the account is appropriated to the commissioner for grants to partner organizations to make loans under this section.

Subd. 7. **Reports to the legislature.** (a) By January 15 of each year, beginning in 2024, each partner organization shall submit a report to the commissioner on the use of program funds and program outcomes.

(b) By February 15 of each year, beginning in 2024, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over economic development on the use of program funds and program outcomes.

Sec. 10. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.

The following forms of financial assistance are not a business subsidy:

(1) a business subsidy of less than $150,000;

(2) assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;

(3) public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;

(4) redevelopment property polluted by contaminants as defined in section 116J.552, subdivision 3;

(5) assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost;

(6) assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;

(7) assistance for housing;

(8) assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under section 469.174, subdivision 23;

(9) assistance for energy conservation;

(10) tax reductions resulting from conformity with federal tax law;

(11) workers' compensation and unemployment insurance;

(12) benefits derived from regulation;

(13) indirect benefits derived from assistance to educational institutions;

(14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;

(15) assistance for a collaboration between a Minnesota higher education institution and a business;

(16) assistance for a tax increment financing soils condition district as defined under section 469.174, subdivision 19;

(17) redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;

(18) general changes in tax increment financing law and other general tax law changes of a principally technical nature;

(19) federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;

(20) funds from dock and wharf bonds issued by a seaway port authority;

(21) business loans and loan guarantees of $150,000 or less;

(22) federal loan funds provided through the United States Department of Commerce, Economic Development Administration, Department of the Treasury; and

(23) property tax abatements granted under section 469.1813 to property that is subject to valuation under Minnesota Rules, chapter 8100.

Sec. 11. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. The program is to be operated by the board. The board shall consult and coordinate with program administrators at the Department of Employment and Economic Development to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions or to workforce development intermediaries for education and training programs and services supporting education and training programs that serve eligible recipients.

Preference shall be given to projects that:

(1) provide employment with benefits paid to employees;

(2) provide employment where there are defined career paths for trainees;

(3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from welfare to work; and

(4) demonstrate the active participation of Department of Employment and Economic Development workforce centers, Minnesota State College and University institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of ~~private~~ participating business. Pathways projects must be matched with cash or in-kind contributions on at least a one-half-to-one ratio by participating ~~private~~ business.

A single grant to any one institution shall not exceed $400,000. A portion of a grant may be used for preemployment training.

Sec. 12. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(5) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job verified to be below the skill level and earning capacity of the veteran;

(6) is an individual determined by the United States Department of Labor to be covered by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331, as amended; or

(7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death, or disability of that person, must <u>now</u> find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support. To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

For the purposes of this section, "dislocated worker" does not include an individual who was an employee, at the time employment ceased, of a political committee, political fund, principal campaign committee, or party unit, as those terms are used in chapter 10A, or an organization required to file with the federal elections commission.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 13. Minnesota Statutes 2020, section 116L.98, 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.

(b) "Credential" means ~~postsecondary~~ degrees, diplomas, licenses, and certificates awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance with an occupation. This definition does not include ~~certificates awarded by workforce investment boards or~~ work-readiness certificates.

(c) "Exit" means to have not received service under a workforce program for 90 consecutive calendar days. The exit date is the last date of service.

(d) "Net impact" means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.

(e) "Pre-enrollment" means the period of time before an individual was enrolled in a workforce program.

Sec. 14. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December 31 of each even-numbered year, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information separately for each of the previous two fiscal or calendar years, for each program subject to the requirements of subdivision 1:

(1) the total number of participants enrolled;

(2) the median pre-enrollment wages based on participant wages for the second through the fifth calendar quarters immediately preceding the quarter of enrollment excluding those with zero income;

(3) the total number of participants with zero income in the second through fifth calendar quarters immediately preceding the quarter of enrollment;

(4) the total number of participants enrolled in training;

(5) the total number of participants enrolled in training by occupational group;

(6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;

(7) the total number of exited participants who completed training;

(8) the total number of exited participants who attained a credential;

(9) the total number of participants employed during three consecutive quarters immediately following the quarter of exit, by industry;

(10) the median wages of participants employed during three consecutive quarters immediately following the quarter of exit;

(11) the total number of participants employed during eight consecutive quarters immediately following the quarter of exit, by industry; and

(12) the median wages of participants employed during eight consecutive quarters immediately following the quarter of exit~~;~~.

~~(13) the total cost of the program;~~

~~(14) the total cost of the program per participant;~~

~~(15) the cost per credential received by a participant; and~~

~~(16) the administrative cost of the program.~~

(b) The report to the legislature must contain participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not.

(c) The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department.

Sec. 15. **CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

Subdivision 1. **Relief program established.** The Northland Foundation and the Northwest Minnesota Foundation must develop and implement a Canadian border counties economic relief program to assist businesses adversely affected by the 2021 closure of the Boundary Waters Canoe Area Wilderness or the closures of the Canadian border since 2020.

Subd. 2. **Available relief.** (a) The economic relief program established under this section may include grants provided in this section to the extent that funds are available. Before awarding grants to the Northland Foundation and the Northwest Minnesota Foundation for the relief program under this section:

(1) the Northland Foundation and the Northwest Minnesota Foundation must develop criteria, procedures, and requirements for:

(i) determining eligibility for assistance;

(ii) evaluating applications for assistance;

(iii) awarding assistance; and

(iv) administering the grant program authorized under this section;

(2) the Northland Foundation and the Northwest Minnesota Foundation must submit criteria, procedures, and requirements developed under clause (1) to the commissioner of employment and economic development for review; and

(3) the commissioner must approve the criteria, procedures, and requirements submitted under clause (2).

(b) The maximum grant to a business under this section is $50,000 per business.

Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a business must:

(1) be located within a county that shares a border with Canada;

(2) document a reduction of at least 20 percent in gross receipts in 2021 compared to 2019; and

(3) provide a written explanation for how the 2021 closure of the Boundary Waters Canoe Area Wilderness or the closures of the Canadian border since 2020 resulted in the reduction in gross receipts documented under clause (2).

Subd. 4. **Monitoring.** (a) The Northland Foundation and the Northwest Minnesota Foundation must establish performance measures, including but not limited to the following components:

(1) the number of grants awarded and award amounts for each grant;

(2) the number of jobs created or retained as a result of the assistance, including information on the wages and benefit levels, the status of the jobs as full time or part time, and the status of the jobs as temporary or permanent;

(3) the amount of business activity and changes in gross revenues of the grant recipient as a result of the assistance; and

(4) the new tax revenue generated as a result of the assistance.

(b) The commissioner of employment and economic development must monitor the Northland Foundation's and the Northwest Minnesota Foundation's compliance with this section and the performance measures developed under paragraph (a).

(c) The Northland Foundation and the Northwest Minnesota Foundation must comply with all requests made by the commissioner under this section.

Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance under this section must provide for job creation and retention goals and wage and benefit goals.

Subd. 6. **Administrative costs.** The commissioner of employment and economic development may use up to three percent of the appropriation made for this section for administrative expenses of the department.

EFFECTIVE DATE. This section is effective July 1, 2022, and expires June 30, 2023.

Sec. 16. **SMALL BUSINESS RECOVERY GRANT PROGRAM.**

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

(b) "Business" means both for-profit businesses and nonprofit organizations that earn revenue in ways similar to businesses, including but not limited to ticket sales and membership fees.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Partner organization" or "partner" means the Minnesota Initiative Foundations and nonprofit corporations on the certified lenders list that the commissioner determines to be qualified to provide grants to businesses under this section.

(e) "Program" means the small business recovery grant program under this section.

Subd. 2. **Establishment.** The commissioner shall establish the small business recovery grant program to make grants to partner organizations to provide grants to businesses that have been directly or indirectly impacted by the COVID-19 pandemic and other economic challenges.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to partner organizations to provide grants to businesses under subdivision 4 using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) The commissioner must, to the degree practical, grant an equal amount of money to partner organizations serving the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, as the commissioner grants to organizations serving greater Minnesota.

(c) Up to four percent of a grant under this subdivision may be used by the partner organization for administration and monitoring of the program.

(d) Any money not spent by partner organizations by December 31, 2023, must be returned to the commissioner and canceled back to the general fund.

Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) To be eligible for a grant under this subdivision, a business must:

(1) have primary business operations located in Minnesota;

(2) be at least 50 percent owned by a resident of Minnesota;

(3) employ the equivalent of 50 full-time workers or less;

(4) be able to demonstrate financial hardship during 2021 or 2022;

(5) include as part of the application a business plan for continued operation; and

(6) primarily do business in one or more of the industries listed under subdivision 5.

(c) Grants under this subdivision shall be awarded by randomized selection process after applications are collected over a period of no more than ten calendar days.

(d) Grants under this subdivision must be for up to $25,000 per business.

(e) No business may receive more than one grant under this section.

(f) Grant money must be used for working capital to support payroll expenses, rent or mortgage payments, utility bills, and other similar expenses that occur or have occurred since January 1, 2022, in the regular course of business, but not to refinance debt that existed at the time of the governor's COVID-19 peacetime emergency declaration.

Subd. 5. **Eligible industries.** To be eligible for a grant under subdivision 4, a business must primarily do business in one or more of the following industries:

(1) serving food or beverages, such as restaurants, cafes, bars, breweries, wineries, and distilleries;

(2) personal services, such as hair care, nail care, skin care, or massage;

(3) indoor entertainment, such as a business providing arcade games, escape rooms, or indoor trampoline parks;

(4) indoor fitness and recreational sports centers, such as gyms, fitness studios, indoor ice rinks, and indoor swimming pools;

(5) wellness and recreation, such as the teaching of yoga, dance, or martial arts;

(6) catering services;

(7) temporary lodging, such as hotels and motels; or

(8) performance venues.

Subd. 6. **Distribution of awards.** Of grant funds awarded under subdivision 4, a minimum of:

(1) $15,000,000 must be awarded to businesses that employ the equivalent of six full-time workers or less;

(2) $10,000,000 must be awarded to minority business enterprises, as defined in Minnesota Statutes, section 116M.14, subdivision 5;

(3) $2,500,000 must be awarded to businesses that are majority owned and operated by veterans as defined in Minnesota Statutes, section 197.447; and

(4) $2,500,000 must be awarded to businesses that are majority owned and operated by women.

Subd. 7. **Exemptions.** All grants and grant-making processes under this section are exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. The commissioner must audit the use of grant money under this section in accordance with standard accounting practices. This subdivision expires on December 31, 2023.

Subd. 8. **Reports.** (a) By January 31, 2024, partner organizations participating in the program must provide a report to the commissioner that includes descriptions of the businesses supported by the program, the amounts granted, and an explanation of administrative expenses.

(b) By February 15, 2024, the commissioner must report to the legislative committees in the house of representatives and senate with jurisdiction over economic development about grants made under this section based on the information received under paragraph (a).

Sec. 17. **ENCUMBRANCE EXCEPTION.**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 5, paragraph (a), clause (2), or 16C.05, subdivision 2, paragraph (a), clause (3), the commissioner of employment and economic development may permit grant recipients of the Minnesota investment fund program under Minnesota Statutes, section 116J.8731; the job creation fund program under Minnesota Statutes, section 116J.8748; and the border-to-border broadband program under Minnesota Statutes, section 116J.395, to incur eligible expenses based on an agreed upon work plan and budget for up to 90 days prior to an encumbrance being established in the accounting system.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on June 30, 2025.

Sec. 18. **REPEALER.**

Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 6, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for the Department of Employment and Economic Development; making policy and technical changes; requiring reports; amending Minnesota Statutes 2020, sections 116J.552, subdivision 6; 116J.8747; 116J.8770; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; Minnesota Statutes 2021 Supplement, sections 116J.8749; 116J.9924, subdivision 4; Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2; Laws 2021, First Special Session chapter 14, article 11, section 42; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 6."

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

The report was adopted.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 4492, A bill for an act relating to state government; appropriating money for environment and natural resources; modifying prior appropriations; modifying commissioner's duties; modifying provisions for easement stewardship accounts; modifying submission date and frequency on certain reports; modifying requirements to notify of water pollution; modifying permitting efficiency provisions; modifying eligibility for small business pollution prevention assistance; providing for grants for stormwater infrastructure; providing for sale and issuance of state bonds; modifying disposition of certain payments for assistance; modifying provisions for waste management assistance; providing for product stewardship for solar photovoltaic modules; prohibiting lead and cadmium in certain consumer products; requiring reports; requiring rulemaking; amending Minnesota Statutes 2020, sections 13.7411, subdivision 4; 103B.103; 115.03, subdivision 1; 115.061; 115.542, subdivisions 3, 4, by adding a subdivision; 115A.03, by adding a subdivision; 115A.49; 115A.51; 115A.54, subdivisions 1, 2, 2a; 115A.565, subdivision 3; 115B.17, subdivision 14; 115B.52, subdivision 4; 116.993, subdivision 2; Minnesota Statutes 2021 Supplement, section 115A.565, subdivision 1; Laws 2021, First Special Session chapter 6, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapters 115; 115A; 325E; repealing Minnesota Statutes 2020, sections 325E.389; 325E.3891.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the

appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. Appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**
Sec. 2. **POLLUTION CONTROL AGENCY**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$58,466,000**

Appropriations by Fund

	2022	2023
General	-0-	51,533,000
Environmental	-0-	5,403,000
Remediation	-0-	1,530,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Agency Appropriations**

(a) $10,000,000 the second year is to support local government units and Tribal governments in planning, designing, and implementing resiliency projects to withstand local flooding. Of this amount, $9,550,000 is for grants to local government units and Tribal governments to upgrade local infrastructure, critical facilities, and other assets for protection against localized flooding and urban heat impacts and $450,000 is for technical assistance. The commissioner may contract with an independent third party to provide the technical assistance. This appropriation is available until June 30, 2026. The base for this appropriation in fiscal year 2024 and later is $133,000.

(b) $5,602,000 the second year is for agency operating adjustments. Of this amount, $38,000 is from the general fund, $4,167,000 is from the environmental fund, and $1,397,000 is from the remediation fund, of which $854,000 is for the purposes of the petroleum remediation program. The commissioner must make necessary adjustments to program appropriations in this section to distribute these funds. By September 1, 2022, the commissioner must report to the chairs of the legislative committees and divisions with jurisdiction over environment and natural resources finance the distribution of funds and resulting base-level appropriations for each program.

(c) $1,000,000 the second year is to create a community-based brownfield grant program to provide grants to complete contamination site investigations and cleanup planning at brownfield sites in underserved areas. Of this amount, $500,000 is for use in the seven-county metropolitan area and $500,000 is for use outside the seven-county metropolitan area. This is a onetime appropriation and is available until June 30, 2025.

(d) $2,000,000 the second year is to support efforts to prevent perfluoroalkyl and polyfluoroalkyl substances (PFAS) contamination. Of this amount, $1,400,000 is for grants to support projects designed to prevent PFAS releases to the environment, identify sources of PFAS, and implement reduction strategies. This is a onetime appropriation and is available until June 30, 2025.

(e) $10,000,000 the second year is to establish a waste prevention and recycling grant and loan program. Of this amount, $9,360,000 is for grants and loans for infrastructure improvement projects related to waste prevention, recycling, and composting. This is a onetime appropriation and is available until June 30, 2025. All loan proceeds must be deposited in the environmental fund.

(f) $50,000 the second year is for completing the St. Louis River mercury total maximum daily load study. This is a onetime appropriation and is available until June 30, 2025.

(g) The unspent amount, estimated to be $50,000, from the appropriation in Laws 2021, First Special Session chapter 6, article 1, section 2, subdivision 2, paragraph (i), for the St. Louis River mercury total maximum daily load study is canceled on June 29, 2022.

(h) $1,800,000 the second year is to address the Pig's Eye Landfill. Of this amount, $800,000 is for the purposes of the Pig's Eye Landfill Task Force as provided in this act and $1,000,000 is for preliminary assessment and cleanup. This is a onetime appropriation and is available until June 30, 2026.

(i) $50,000 the second year is for the petroleum tank release cleanup program duties and report required under this act. This is a onetime appropriation.

(j) $250,000 the second year is to implement feedlot financial assurance requirements and compile the annual feedlot and manure storage area lists required under Minnesota Statutes, section 116.07, subdivisions 7f and 7g.

(k) $700,000 the second year is for distribution to delegated counties based on registered feedlots and manure storage areas for inspections of manure storage areas and the abandoned manure storage area reports required under this act. This is a onetime appropriation and is available until June 30, 2024.

(l) $250,000 the second year is for a grant to the Minnesota Association of County Feedlot Officers to provide training concerning state feedlot requirements, working efficiently and effectively with producers, and reducing the incidence of manure or nutrients entering surface water or groundwater. This is a onetime appropriation.

(m) $5,000,000 the second year is for grants for pilot projects that encourage composting by residents of multifamily buildings under Minnesota Statutes, section 115A.5591. This is a onetime appropriation.

(n) $9,080,000 the second year from the general fund is for implementation of the environmental justice, cumulative impact analysis, and demographic analysis requirements under this act. The general fund appropriation is onetime and is available until June 30, 2024. The base for this appropriation in fiscal year 2024 is $8,979,000 from the environmental fund and the base in fiscal year 2025 and later is $8,603,000 from the environmental fund.

(o) $5,000,000 the second year is for development of a statewide air quality monitoring program, including air monitoring devices and other necessary equipment. This is a onetime appropriation and is available until June 30, 2027.

(p) $540,000 the second year is to purchase three air monitoring devices to measure pollutants in ambient air. The monitoring devices must be placed within a census tract that the commissioner has determined is located in an environmental justice area, as defined in Minnesota Statutes, section 116.06, subdivision 10b. This is a onetime appropriation.

(q) $500,000 the second year is for grants for a community air monitoring system pilot program under this act and to pay the agency's reasonable costs to administer the pilot grant program. This is a onetime appropriation and is available until June 30, 2024.

(r) $500,000 the second year is to adopt rules to regulate air toxics emissions as specified in this act. This is a onetime appropriation and is available until June 30, 2025.

(s) $1,000,000 the second year is for a lead tackle collection program that provides collection sites throughout the state where anglers may safely dispose of lead tackle.

(t) $175,000 the second year is for the seed disposal rulemaking required under this act. This is a onetime appropriation and is available until June 30, 2024.

(u) $100,000 the second year is for transfer to the commissioner of agriculture to enforce the treated seed provisions under Minnesota Statutes, section 21.86, subdivision 2.

(v) $2,000,000 the second year is to develop protocols to be used by agencies and departments for sampling and testing groundwater, surface water, public drinking water, and private wells for microplastics and nanoplastics and to begin implementation. The commissioner may transfer money appropriated under this paragraph to the commissioners of agriculture, natural resources, and health to implement the protocols developed under this paragraph. This is a onetime appropriation. For the purposes of this paragraph, "microplastics" and "nanoplastics" have the meanings given under Minnesota Statutes, section 116.06, subdivisions 14a and 14b.

(w) $1,500,000 the second year is for the zero-waste grant program under Minnesota Statutes, section 115A.561. This is a onetime appropriation.

(x) $17,000 the second year is from the environmental fund to support the expedited rule process to update the capital assistance program grant limits and eligibility. This is a onetime appropriation and is available until June 30, 2024.

(y) $74,000 the second year is from the environmental fund to complete compliance monitoring and testing for cadmium and lead in consumer products.

(z) $150,000 the second year is from the environmental fund for the carpet stewardship report required under this act. This is a onetime appropriation.

(aa) $452,000 the second year is from the environmental fund to adopt rules establishing water quality standards for perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) as required under this act. This is a onetime appropriation and is available until June 30, 2025.

(bb) $181,000 the second year is from the environmental fund for implementing and enforcing the perfluoroalkyl and polyfluoroalkyl substances provisions under Minnesota Statutes, sections 116.943 to 116.947. The base for this appropriation in fiscal year 2024 and later is $362,000. Of this amount, $66,000 may be transferred to the commissioner of health.

(cc) $314,000 the second year is from the environmental fund for the perfluoroalkyl and polyfluoroalkyl substances disclosure requirements under Minnesota Statutes, section 116.948. The base for this appropriation is $300,000 in fiscal year 2024 and $154,000 in fiscal year 2025 and later.

(dd) $48,000 the second year is from the environmental fund for the public informational meeting requirements under Minnesota Statutes, section 115.071, subdivision 3a.

(ee) $133,000 the second year is from the remediation fund for staffing to fulfill the statutory obligations under Minnesota Statutes, chapter 115E, regarding railroad safety. The base for this appropriation in fiscal year 2024 and later is $133,000.

Subd. 3. **Transfers**

By June 30, 2023, the commissioner of management and budget must transfer $29,055,000 from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17, and compensate the account for the estimated lost investment income.

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

Sec. 3. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **$-0-** **$54,727,000**

Appropriations by Fund

	2022	2023
General	-0-	52,962,000
Natural Resources	-0-	1,750,000
Game and Fish	-0-	15,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Department Appropriations**

(a) $25,000,000 the second year is for modernizing and enhancing department-managed infrastructure, lands, and waters to mitigate and adapt to climate change. Of this amount, $10,000,000 is for public water access sites; $10,000,000 is for hatcheries; and $5,000,000 is for native plant restoration in state parks. The commissioner may reallocate across these purposes based on project readiness and priority. This is a onetime appropriation and is available until June 30, 2026.

(b) $300,000 the second year is to provide aggregate resource maps for local governments. The base for this appropriation in fiscal year 2024 and beyond is $100,000.

(c) $5,000,000 the second year is to enhance grasslands and restore wetlands on state-owned wildlife management areas to increase carbon sequestration and enhance climate resiliency. This is a onetime appropriation and is available until June 30, 2026.

(d) $250,000 the second year is to evaluate fish designated as rough fish in the state to determine if fish species are properly designated and if there are rough fish species that are in need of additional protection through regulations and to determine any research needs. The commissioner must submit a report with the results of the evaluation and any recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources by June 30, 2023. This is a onetime appropriation.

(e) $1,400,000 the second year is for designating swan resting areas under this act and to provide increased education and outreach promoting the protection of swans in the state, including education regarding the restrictions on taking swans. This is a onetime appropriation and is available until June 30, 2025.

(f) $421,000 the second year is to complete a centralized aquifer-property database to provide needed data for site characterization. This is a onetime appropriation and is available until June 30, 2024.

(g) $30,000 the second year is to stock at least 7,000,000 walleye fry near spawning riffles in the Rat Root River in Koochiching County. This is a onetime appropriation.

(h) $1,841,000 the second year is for grants to lake associations, local governments, and Tribal governments to manage aquatic invasive plant species, including starry stonewart. This is a onetime appropriation.

(i) $1,383,000 is added to the base beginning in fiscal year 2025 for implementing the transition of the farmed Cervidae program from the Board of Animal Health to the Department of Natural Resources as required under this act.

(j) $3,300,000 the second year is for improved maintenance at scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5, including additional natural resource specialists and technicians, coordinators, seasonal crews, equipment, supplies, and administrative support. This is a onetime appropriation and is available until June 30, 2025.

(k) $11,000,000 the second year is for grants to local units of government to replace trees removed to address emerald ash borer. Priority must be given to environmental justice areas. Money appropriated in this paragraph may be used to acquire and plant trees that are climate adaptive to Minnesota. This is a onetime appropriation and is available until June 30, 2025. For purposes of this appropriation, an environmental justice area is one or more census blocks with a history of higher than average cumulative impacts from air pollution located in the state:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency; or

(2) that is in Indian Country, as defined in United States Code, title 18, section 1151.

(l) $1,000,000 the second year is for grants to prekindergarten to grade 12 schools, including public and private schools, to plant trees on school grounds while providing hands-on learning opportunities for students. A grant application under this paragraph must be prepared jointly with the parent-teacher organization or similar parent organization for the school. This is a onetime appropriation and is available until June 30, 2024.

(m) $1,000,000 the second year is for public meeting and water-use permit requirements under Minnesota Statutes, sections 103G.271, subdivisions 2a and 4b, and 103G.287, subdivision 5. The base for this appropriation in fiscal year 2024 and beyond is $250,000.

(n) $1,000,000 the second year is for a grant to the Fond du Lac Band of Lake Superior Chippewa to expand Minnesota's wild elk population and range. Consideration must be given to moving elk from existing herds in northwest Minnesota to the area of the Fond du Lac State Forest and the Fond du Lac Reservation in Carlton and southern St. Louis Counties. The Fond du Lac Band of Lake Superior Chippewa's elk reintroduction efforts must undergo thorough planning with the Department of Natural Resources to develop necessary capture and handling protocols, including protocols related to cervid disease management, and to produce postrelease state and Tribal elk co-management plans. This is a onetime appropriation.

(o) $250,000 the second year is for testing farmed white-tailed deer for chronic wasting disease using a real-time quaking-induced conversion (RT-QuIC) test as required in this act. The commissioner must issue a request for proposal for the RT-QuIC testing required. This is a onetime appropriation.

(p) $500,000 the second year is to address chronic wasting disease in white-tailed deer in and around the city of Grand Rapids. This is a onetime appropriation.

(q) $600,000 the second year is for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976. The base for this appropriation in fiscal year 2024 and beyond is $300,000.

(r) $70,000 the second year is for the nongame wildlife management program.

(s) Notwithstanding Minnesota Statutes, section 297A.94, $15,000 the second year is from the heritage enhancement account in the game and fish fund for implementing nontoxic shot requirements under Minnesota Statutes, section 97B.673. This is a onetime appropriation and is available until June 30, 2025.

(t) $750,000 the second year is from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2). This is a onetime appropriation.

(u) $500,000 the second year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of trails within the Voyageur Country ATV trail system. This is a onetime appropriation and is available until June 30, 2025. This appropriation may be used as a local match to a 2022 state bonding award.

(v) $500,000 the second year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of a new trail within the Prospector trail system. This is a onetime appropriation and is available until June 30, 2025. This appropriation may be used as a local match to a 2022 state bonding award.

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

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES** **$-0-** **$68,920,000**

(a) $10,000,000 the second year is for water storage and management projects and practices to control water volume and rates to protect infrastructure, improve water quality, and provide other related public benefits consistent with Minnesota Statutes, section 103F.05. Of this amount, $5,000,000 is for projects in the seven-county metropolitan area and $5,000,000 is for projects outside the seven-county metropolitan area. This appropriation is available until June 30, 2026. The base for this appropriation is $167,000 in fiscal year 2024 and beyond.

(b) $595,000 the second year is to offset unreimbursed costs caused by the COVID-19 pandemic. This is a onetime appropriation.

(c) $5,000,000 the second year is to accelerate the adoption of soil health practices consistent with Minnesota Statutes, sections 103C.101, subdivision 10a, and 103F.49.

(d) $125,000 the second year is to accomplish the objectives of Minnesota Statutes, section 10.65, and related Tribal government coordination. The base for fiscal year 2024 is $129,000 and $133,000 for fiscal year 2025 and each year thereafter.

(e) $10,000,000 the second year is to provide onetime state incentive payments to enrollees in the federal Conservation Reserve Program (CRP) during the continuous enrollment period and to enroll complementary areas in conservation easements consistent with Minnesota Statutes, section 103F.515. The board may establish payment rates based on land valuation and on environmental benefit criteria, including but not limited to surface water or groundwater pollution reduction, drinking water protection, soil health, pollinator and wildlife habitat, and other conservation enhancements. The board may use state funds to implement the program and to provide technical assistance to landowners or their agents to fulfill enrollment and contract provisions. The board must consult with the commissioners of agriculture, health, natural resources, and the Pollution Control Agency and the United States Department of Agriculture in establishing program criteria. This is a onetime appropriation and is available until June 30, 2026.

(f) $5,000,000 the second year is for the lawns to legumes program under Minnesota Statutes, section 103B.104. The base for this appropriation in fiscal year 2024 and beyond is $1,250,000.

(g) $200,000 the second year is to establish the drainage registry information portal required under Minnesota Statutes, section 103E.122. This is a onetime appropriation.

(h) $30,000,000 the second year is to purchase and restore permanent conservation sites via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. Minnesota Statutes, section 103F.515, applies to this program. The board must give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements. The board may enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to $1,700,000 is for deposit in a monitoring and enforcement account. This is a onetime appropriation and is available until June 30, 2026.

(i) $8,000,000 the second year is for an accelerated conservation planting program. This is a onetime appropriation and is available until June 30, 2026. The work must be carried out consistent with the provisions of Minnesota Statutes, section 103C.501. The appropriation must be used for financial and technical assistance to landowners via local units of government for the purpose of establishing or enhancing tree, shrub, and associated conservation practices that will reduce greenhouse gas emissions and add resiliency to the landscape by sequestering carbon, conserving energy, and improving water quality and habitat. Of this amount, $500,000 must be used to address invasive species control via cooperative weed management agreements. Money appropriated in this paragraph may be used to acquire and plant trees that are climate adaptive to Minnesota.

Sec. 5. **CONSERVATION CORPS MINNESOTA** **$-0-** **$500,000**

Conservation Corps Minnesota may receive money appropriated under this section only as provided in an agreement with the commissioner of natural resources. $250,000 is added to the base in fiscal year 2024 and beyond.

Sec. 6. **METROPOLITAN COUNCIL** **$-0-** **$13,085,000**

Appropriations by Fund

	2022	2023
General	-0-	$12,335,000
Natural Resources	-0-	$750,000

(a) $2,500,000 the second year is to develop a decision-making support toolset to help local partners quantify the risks of a changing climate and prioritize strategies that mitigate those risks. This is a onetime appropriation and is available until June 30, 2026.

(b) $2,500,000 the second year is for grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits.

The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction pursuant to guidelines established by the council. This is a onetime appropriation and is available until June 30, 2024.

(c) $2,500,000 the second year is for grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, to provide financial assistance to private property owners to replace or repair private sewer lines to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Financial assistance from this appropriation is for up to 50 percent of the cost of the replacement or repair. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. This is a onetime appropriation and is available until June 30, 2024.

(d) $2,335,000 the second year is for grants to cities and other public water suppliers to replace the privately owned portion of residential lead service lines. Grants from this appropriation must first be used to supplement any federal money provided to the state as principal forgiveness or grants under Public Law 117-58, the Infrastructure Investment and Jobs Act, to cover 100 percent of the cost to replace privately owned residential lead service lines. Laborers and mechanics performing work on a project funded by a grant under this paragraph, including removal of lead service lines and installation of replacement service lines, must be paid the prevailing wage rate for the work as defined in Minnesota Statutes, section 177.42, subdivision 6. The project is subject to the requirements and enforcement provisions of Minnesota Statutes, sections 177.30 and 177.41 to 177.45. This is a onetime appropriation and is available until June 30, 2024. For the purposes of this appropriation, "lead service line" has the meaning given under Minnesota Statutes, section 473.121, subdivision 38.

(e) $2,500,000 the second year is for metropolitan area regional parks operation and maintenance according to Minnesota Statutes, section 473.351. This is a onetime appropriation and is available until June 30, 2024.

(f) $750,000 the second year is from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3). This is a onetime appropriation.

Sec. 7. **ZOOLOGICAL BOARD** **$-0-** **$-0-**

$45,000 is added to the base in fiscal year 2024 only and is for purposes of the prairie butterfly conservation program.

Sec. 8. **SCIENCE MUSEUM** **$-0-** **$500,000**

$500,000 the second year is to support the Science Museum of Minnesota. This is a onetime appropriation.

Sec. 9. **EXPLORE MINNESOTA TOURISM** **$-0-** **$10,465,000**

(a) $215,000 the second year is to build additional administrative capacity to provide support in the areas of brand strategy, communications, and industry relations.

(b) $10,000,000 the second year is for a tourism industry recovery grant program. The grant program must provide money to organizations, Tribal governments, and communities to accelerate the recovery of the state's tourism industry. Grant money may be used to support meetings, conventions and group business, multicommunity and high-visibility events, and tourism marketing. Explore Minnesota Tourism must accept applications under this paragraph for at least five business days beginning at 8:00 a.m. on the first business day and, if total applications exceed $10,000,000, the grants must be awarded to eligible applicants at random until the funding is exhausted. Of this amount, Explore Minnesota Tourism must not retain any portion for administrative costs. This is a onetime appropriation.

(c) $250,000 the second year is for a grant to the Grand Portage Band to focus tourism to Grand Portage. This is a onetime appropriation.

Sec. 10. **MINNESOTA OUTDOOR RECREATION OFFICE** **$-0-** **$1,750,000**

$1,750,000 the second year is for the Minnesota Outdoor Recreation Office under Minnesota Statutes, section 86A.50. The base for this appropriation in fiscal year 2024 and beyond is $250,000.

Sec. 11. **UNIVERSITY OF MINNESOTA** **$-0-** **$180,000**

$180,000 the second year is to develop a soil health action plan, in consultation with the Minnesota Office for Soil Health, the United States Department of Agriculture's Natural Resources Conservation Service, and other state and federal agencies, academic institutions, local governments, and practitioners, that will provide recommendations for standardized specifications for soil health and related conservation and climate protection

practices and projects to achieve soil health goals, including recommendations for research, implementation, outreach, and prioritization of the use of future funding. By January 15, 2023, the plan must be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture and environment and natural resources policy. This is a onetime appropriation.

ARTICLE 2
STATUTORY CHANGES

Section 1. Minnesota Statutes 2020, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall not exceed 120 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's website. This subdivision applies to the following positions:

Executive director of Gambling Control Board;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for mental health and developmental disabilities;

Ombudsperson for corrections;

Chair, Metropolitan Council;

School trust lands director;

Executive director of pari-mutuel racing; ~~and~~

Commissioner, Public Utilities Commission; and

Director of the Minnesota Outdoor Recreation Office.

Sec. 2. Minnesota Statutes 2020, section 18B.09, subdivision 2, is amended to read:

Subd. 2. **Authority.** (a) Statutory and home rule charter cities may enact an ordinance, which may include penalty and enforcement provisions, containing one or both of the following:

(1) the pesticide application warning information contained in subdivision 3~~, including their own licensing, penalty, and enforcement provisions.~~; and

(2) the pesticide prohibition contained in subdivision 4.

(b) Statutory and home rule charter cities may not enact an ordinance ~~that contains~~ more restrictive ~~pesticide application warning information~~ than ~~is contained in subdivision~~ subdivisions 3 and 4.

Sec. 3. Minnesota Statutes 2020, section 18B.09, is amended by adding a subdivision to read:

Subd. 4. **Application of certain pesticides prohibited.** (a) A person may not apply or use a pollinator-lethal pesticide within the geographic boundaries of a city that has enacted an ordinance under subdivision 2 prohibiting such use.

(b) For purposes of this subdivision, "pollinator-lethal pesticide" means a pesticide that has a pollinator protection box on the label or labeling or a pollinator, bee, or honey bee precautionary statement in the environmental hazards section of the label or labeling.

(c) This subdivision does not apply to:

(1) pet care products used to mitigate fleas, mites, ticks, heartworms, or other animals that are harmful to the health of a domesticated animal;

(2) personal care products used to mitigate lice and bedbugs;

(3) indoor pest control products used to mitigate insects indoors, including ant bait;

(4) a pesticide as used or applied by the Metropolitan Mosquito Control District for public health protection if the pesticide includes vector species on the label; and

(5) a pesticide-treated wood product.

(d) The commissioner must maintain a list of pollinator-lethal pesticides on the department's website.

Sec. 4. Minnesota Statutes 2020, section 21.81, is amended by adding a subdivision to read:

Subd. 5a. **Coated agricultural seed.** "Coated agricultural seed" means any seed unit covered with a coating material.

Sec. 5. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

Subd. 2. **Miscellaneous violations.** No person may:

~~(a)~~ (1) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or alter or falsify any seed tests, laboratory reports, records, or other documents to create a misleading impression as to kind, variety, history, quality, or origin of the seed;

~~(b)~~ (2) hinder or obstruct in any way any authorized person in the performance of duties under sections 21.80 to 21.92;

~~(c)~~ (3) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;

~~(d)~~ (4) use the word "type" in any labeling in connection with the name of any agricultural seed variety;

~~(e)~~ (5) use the word "trace" as a substitute for any statement which is required;

~~(f)~~ (6) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed; ~~or~~

~~(g)~~ (7) advertise or sell seed containing patented, protected, or proprietary varieties used without permission of the patent or certificate holder of the intellectual property associated with the variety of seed~~.~~; or

(8) use or sell as food, feed, oil, or ethanol feedstock any seed treated with neonicotinoid pesticide.

Sec. 6. **[21.915] PESTICIDE-TREATED SEED USE AND DISPOSAL; CONSUMER GUIDANCE REQUIRED.**

(a) The commissioner, in consultation with the commissioner of the Pollution Control Agency, must develop and maintain consumer guidance regarding the proper use and disposal of seed treated with neonicotinoid pesticide.

(b) A person selling seed treated with neonicotinoid pesticide at retail must post in a conspicuous location the guidance developed by the commissioner under paragraph (a).

Sec. 7. **[84.0345] PEAT SOIL GOAL.**

It is the goal of the state of Minnesota to protect, restore, and enhance at least the following amounts of the state's presettlement peat soils, or histosols, that were drained for and as of August 1, 2022, are used for agricultural cultivation or pasture:

(1) 25 percent by August 1, 2030; and

(2) 50 percent by August 1, 2040.

Sec. 8. **[84.9735] INSECTICIDES ON STATE LANDS.**

A person may not use a pesticide containing an insecticide in a wildlife management area, state park, state forest, aquatic management area, or scientific and natural area if the insecticide is from the neonicotinoid class of insecticides or contains chlorpyrifos.

Sec. 9. Minnesota Statutes 2020, section 84D.02, subdivision 3, is amended to read:

Subd. 3. **Management plan.** By December 31, 2022, and every five years thereafter, the commissioner ~~shall~~ must prepare ~~and maintain~~ a long-term plan, which may include specific plans for individual species and actions, for the statewide management of invasive species of aquatic plants and wild animals. The plan must address:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about invasive species of aquatic plants and wild animals among resource management agencies and organizations;

(3) a coordinated public education and awareness campaign;

(4) coordinated control of selected invasive species of aquatic plants and wild animals on lands and public waters;

(5) participation by lake associations, local citizen groups, and local units of government in the development and implementation of local management efforts;

(6) a reasonable and workable inspection requirement for watercraft and equipment including those participating in organized events on the waters of the state;

(7) the closing of points of access to infested waters, if the commissioner determines it is necessary, for a total of not more than seven days during the open water season for control or eradication purposes;

(8) maintaining public accesses on infested waters to be reasonably free of aquatic macrophytes; ~~and~~

(9) notice to travelers of the penalties for violation of laws relating to invasive species of aquatic plants and wild animals; and

(10) the impacts of climate change on invasive species management.

Sec. 10. Minnesota Statutes 2020, section 85.015, subdivision 10, is amended to read:

Subd. 10. **Luce Line Trail, Hennepin, McLeod, and Meeker Counties.** (a) The trail shall originate at Gleason Lake in Plymouth Village, Hennepin County, ~~and shall~~ follow the route of the Chicago Northwestern Railroad, and include a connection to Greenleaf Lake State Recreation Area.

(b) The trail shall be developed for multiuse wherever feasible. The department shall cooperate in maintaining its integrity for modes of use consistent with local ordinances.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups. Before acquiring any parcel of land for the trail, the commissioner of natural resources shall develop a management program for the parcel and conduct a public hearing on the proposed management program in the vicinity of the parcel to be acquired. The management program of the commissioner shall include but not be limited to the following:

~~(a)~~ (1) fencing ~~of~~ portions of the trail where necessary to protect adjoining landowners; and

~~(b) the maintenance of~~ (2) maintaining the trail in a ~~litter free~~ litter-free condition to the extent practicable.

(d) The commissioner shall not acquire any of the right-of-way of the Chicago Northwestern Railway Company until the abandonment of the line described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission. Compensation, in addition to the value of the land, shall include improvements made by the railroad, including but not limited to, bridges, trestles, public road crossings, or any portion thereof, it being the desire of the railroad that such improvements be included in the conveyance. The fair market value of the land and improvements shall be recommended by two independent appraisers mutually agreed upon by the parties. The fair market value thus recommended shall be reviewed by a review appraiser agreed to by the parties, and the fair market value thus determined, and supported by appraisals, may be the purchase price. The commissioner may exchange lands with landowners abutting the right-of-way described in this section to eliminate diagonally shaped separate fields.

Sec. 11. Minnesota Statutes 2020, section 85A.01, subdivision 1, is amended to read:

Subdivision 1. **Creation.** (a) The Minnesota Zoological Garden is established under the supervision and control of the Minnesota Zoological Board. The board consists of 30 public and private sector members having a background or interest in zoological societies or zoo management or an ability to generate community interest in the Minnesota Zoological Garden. Fifteen members shall be appointed by the board after consideration of a list supplied by board members serving on a nominating committee, and 15 members shall be appointed by the

governor. One member of the board must be a resident of Dakota County and shall be appointed by the governor after consideration of the recommendation of the Dakota County Board. Board appointees shall not be subject to the advice and consent of the senate.

(b) To the extent possible, the board and governor shall appoint members who are residents of the various geographic regions of the state. Terms, compensation, and removal of members are as provided in section 15.0575, except that a member may be compensated at the rate of up to $125 a day. In making appointments, the governor and board shall utilize the appointment process as provided under section 15.0597 and consider, among other factors, the ability of members to garner support for the Minnesota Zoological Garden.

(c) A member of the board may not be an employee of or have a direct or immediate family financial interest in a business that provides goods or services to the zoo. A member of the board may not be an employee of the zoo.

Sec. 12. **[86A.50] MINNESOTA OUTDOOR RECREATION OFFICE.**

Subdivision 1. **Establishment.** The Minnesota Outdoor Recreation Office is established. The governor, in consultation with the commissioner of natural resources and the director of Explore Minnesota Tourism, must appoint the director of the Minnesota Outdoor Recreation Office. The director's appointment is subject to the advice and consent of the senate.

Subd. 2. **Office; administration.** The commissioner of administration must provide administrative services for the Minnesota Outdoor Recreation Office. The Minnesota Outdoor Recreation Office must have locations in the cities of Ely and Winona.

Subd. 3. **Purpose; goals.** The purpose of the Minnesota Outdoor Recreation Office is to:

(1) increase participation in outdoor recreation by advancing equity, diversity, and inclusivity across the state's outdoor recreation sector;

(2) unite the state's outdoor recreation community; and

(3) unify communications among the state's diverse outdoor recreation sector by developing a shared narrative about the health, economic, and other benefits of outdoor recreation.

Subd. 4. **Duties.** To achieve the purposes of the Minnesota Outdoor Recreation Office, the director must:

(1) increase participation by:

(i) bringing outdoor recreation stakeholders together, including historically underrepresented populations, to develop a shared strategy to build community, improve cultural relevance, foster relationships, and facilitate an inclusive and safe outdoor recreation experience for all;

(ii) creating and implementing a marketing strategy to coordinate across public and private entities that welcomes historically underrepresented populations into the outdoor recreation community;

(iii) welcoming and integrating underrepresented populations as customers, owners, employees, and vendors of outdoor recreation agencies, groups, and businesses;

(iv) identifying and developing solutions to overcome barriers such as cost and transportation and creating new ways for accessing outdoor recreation activities;

(v) promoting and facilitating a culture of welcoming everyone outdoors by practicing inclusivity and ensuring that historically underrepresented populations are equally valued;

(vi) promoting conservation strategies that connect diverse outdoor recreation groups under a unified mission;

(vii) reviewing outdoor recreation trends and use patterns provided by the commissioner of natural resources, Explore Minnesota Tourism, and other agencies; and

(viii) identifying what the public feels is missing in outdoor recreation and then collaborating with other state agencies, residents, and businesses to provide those opportunities;

(2) unite the state's outdoor recreation community by:

(i) bringing together users, government agencies, nonprofit organizations, for-profit companies, and Tribal governments with an interest in outdoor recreation to build a united community, drive relationships, and facilitate a shared vision for outdoor recreation in Minnesota;

(ii) identifying stewardship and conservation priorities that will bring together diverse outdoor stakeholders around a common goal;

(iii) annually convening outdoor recreation stakeholders, including underrepresented populations, and measuring and sharing the benefits of coordinating at the event;

(iv) developing coordinated messaging and welcoming new narratives for Minnesota's outdoors;

(v) ensuring all of Minnesota's varied geographies, landscapes, and recreation opportunities are positioned as equal tenants within Minnesota's brand;

(vi) building, strengthening, and growing public-private partnerships at local, regional, state, national, and international levels to unite the outdoor recreation community;

(vii) encouraging private sector partnerships to recognize the market potential of historically underrepresented audiences;

(viii) promoting partnerships between communities, conservation, and stewardship groups as well as outdoor user groups to maintain recreational infrastructure and preserve Minnesota's natural spaces; and

(ix) encouraging conservation and outdoor recreation groups to work together more for the common good; and

(3) unify communications by:

(i) defining and promoting Minnesota's unique value as a world-class inclusive outdoor destination;

(ii) developing new communication mediums such as applications and mobile-first strategies to reach target audiences;

(iii) strengthening land and water stewardship messaging and education in order to grow public investment and attention from people who will help steward Minnesota's outdoor resources;

(iv) developing best practices for outdoor recreation communication for the commissioner of natural resources and Explore Minnesota Tourism;

(v) developing methods to amplify communication resources and to do more with less through communication partnership creation and focusing these efforts both in and outside Minnesota; and

(vi) measuring and communicating the return on investment of outdoor recreation investments, specifically focused on measurable economic, health, and well-being benefits.

Subd. 5. **Powers.** The director of the Minnesota Outdoor Recreation Office may:

(1) direct and control money appropriated to the director;

(2) apply for, receive, and spend money for the purposes of this section;

(3) employ assistants and other officers, employees, and agents that the director considers necessary for the purposes of this section;

(4) enter into interdepartmental agreements with any other state agency; and

(5) enter into joint powers agreements under chapter 471.

Subd. 6. **Report.** By January 15 each year, the director of the Minnesota Outdoor Recreation Office must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources and tourism on the office's performance in achieving its purpose under subdivision 3 and how money appropriated to the office was expended.

Sec. 13. **[86B.30] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 86B.30 to 86B.341.

Subd. 2. **Accompanying operator.** "Accompanying operator" means a person 21 years of age or older who:

(1) is in a personal watercraft or other type of motorboat;

(2) is within immediate reach of the controls of the motor; and

(3) possesses a valid operator's permit or is an exempt operator.

Subd. 3. **Adult operator.** "Adult operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who was:

(1) effective July 1, 2024, born on or after July 1, 2003;

(2) effective July 1, 2025, born on or after July 1, 1999;

(3) effective July 1, 2026, born on or after July 1, 1995; and

(4) effective July 1, 2027, born on or after July 1, 1987.

Subd. 4. **Exempt operator.** "Exempt operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who:

(1) possesses a valid license to operate a motorboat issued for maritime personnel by the United States Coast Guard under Code of Federal Regulations, title 46, part 10, or a marine certificate issued by the Canadian government;

(2) is not a resident of the state or country, is temporarily using the waters of the state for a period not to exceed 60 days, and:

(i) meets any applicable requirements of the state of residency; or

(ii) possesses a Canadian pleasure craft operator's card;

(3) is operating a motorboat under a dealer's license according to section 86B.405; or

(4) is operating a motorboat during an emergency.

Subd. 5. **Motorboat rental business.** "Motorboat rental business" means a person engaged in the business of renting or leasing motorboats, including personal watercraft, for a period not exceeding 30 days. Motorboat rental business includes a person's agents and employees.

Subd. 6. **Young operator.** "Young operator" means a motorboat operator, including a personal watercraft operator, younger than 12 years of age.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 14. **[86B.302] WATERCRAFT OPERATOR'S PERMIT.**

Subdivision 1. **Generally.** The commissioner must issue a watercraft operator's permit to a person 12 years of age or older who successfully completes a water safety course and written test according to section 86B.304, paragraph (a), or who provides proof of completion of a program subject to a reciprocity agreement or certified by the commissioner as substantially similar.

Subd. 2. **Issuing permit to certain young operators.** The commissioner may issue a permit under this section to a person who is at least 11 years of age, but the permit is not valid until the person becomes an adult operator.

Subd. 3. **Personal possession required.** (a) A person who is required to have a watercraft operator's permit must have in personal possession:

(1) a valid watercraft operator's permit;

(2) a driver's license that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20; or

(3) an identification card that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20.

(b) A person who is required to have a watercraft operator's permit must display one of the documents described in paragraph (a) to a conservation officer or peace officer upon request.

Subd. 4. **Using electronic device to display proof of permit.** If a person uses an electronic device to display a document described in subdivision 3 to a conservation officer or peace officer:

(1) the officer is immune from liability for any damage to the device, unless the officer does not exercise due care in handling the device; and

(2) this does not constitute consent for the officer to access other contents on the device.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 15. **[86B.303] OPERATING PERSONAL WATERCRAFT AND OTHER MOTORBOATS.**

Subdivision 1. **Adult operators.** An adult operator may not operate a motorboat, including a personal watercraft, unless:

(1) the adult operator possesses a valid watercraft operator's permit;

(2) the adult operator is an exempt operator; or

(3) an accompanying operator is in the motorboat.

Subd. 2. **Young operators.** (a) A young operator may not operate a personal watercraft or any motorboat powered by a motor with a factory rating of more than 75 horsepower.

(b) A young operator may operate a motorboat that is not a personal watercraft and that is powered by a motor with a factory rating of up to 75 horsepower if an accompanying operator is in the motorboat.

Subd. 3. **Accompanying operators.** For purposes of this section and section 169A.20, an accompanying operator, as well as the actual operator, is operating and is in physical control of a motorboat.

Subd. 4. **Owners may not allow unlawful use.** An owner or other person in lawful control of a motorboat may not allow the motorboat to be operated contrary to this section.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 16. **[86B.304] WATERCRAFT SAFETY PROGRAM.**

(a) The commissioner must establish a water safety course and testing program for personal watercraft and watercraft operators and must prescribe a written test as part of the course. The course must be approved by the National Association of State Boating Law Administrators and must be available online. The commissioner may allow designated water safety courses administered by third parties to meet the requirements of this paragraph and may enter into reciprocity agreements or otherwise certify boat safety education programs from other states that are substantially similar to in-state programs. The commissioner must establish a working group of interested parties to develop course content and implementation. The course must include content on aquatic invasive species mitigation best management practices, reducing conflicts among user groups, and limiting the ecological impacts of watercraft.

(b) The commissioner must create or designate a short boater safety examination to be administered by motorboat rental businesses, as required by section 86B.306, subdivision 3. The examination developed pursuant to this paragraph must be one that can be administered electronically or on paper, at the option of the motorboat rental business administering the examination.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 17. **[86B.306] MOTORBOAT RENTAL BUSINESSES.**

Subdivision 1. **Requirements.** A motorboat rental business must not rent or lease a motorboat, including a personal watercraft, to any person for operation on the waters of the state unless the renter or lessee:

(1) has a valid watercraft operator's permit or is an exempt operator; and

(2) is 18 years of age or older.

Subd. 2. **Authorized operators.** A motorboat rental business must list on each motorboat rental or lease agreement the name and age of each operator who is authorized to operate the motorboat or personal watercraft. The renter or lessee of the motorboat must ensure that only listed authorized operators operate the motorboat or personal watercraft.

Subd. 3. **Summary of boating regulations; examination.** (a) A motorboat rental business must provide each authorized operator a summary of the statutes and rules governing operation of motorboats and personal watercraft in the state and instructions for safe operation.

(b) Each authorized operator must review the summary provided under this subdivision and must take a short boater safety examination in a form approved by the commissioner before the motorboat or personal watercraft leaves the motorboat rental business premises, unless the authorized operator has taken the examination during the previous 60 days.

Subd. 4. **Safety equipment for personal watercraft.** A motorboat rental business must provide at no additional cost a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment to all persons who rent a personal watercraft.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 18. Minnesota Statutes 2020, section 86B.313, subdivision 4, is amended to read:

Subd. 4. **Dealers and rental operations.** (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

(1) the laws and rules governing personal watercraft; and

(2) the safe operation of personal watercraft.

(b) ~~A person who offers personal watercraft for rent:~~

~~(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;~~

~~(2) shall provide a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and~~

~~(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.~~

~~(c)~~ Each dealer of personal watercraft ~~or person offering personal watercraft for rent~~ shall have the person who purchases ~~or rents~~ a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser or renter has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer ~~or person offering personal watercraft for rent~~ for a period of six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 19. Minnesota Statutes 2020, section 89A.03, subdivision 5, is amended to read:

Subd. 5. **Membership regulation.** Terms, compensation, nomination, appointment, and removal of council members are governed by section 15.059, except that a council member may be compensated at the rate of up to $125 a day.

Sec. 20. Minnesota Statutes 2020, section 90.181, subdivision 2, is amended to read:

Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid or payment is not postmarked within 30 days of the statement date ~~thereof, it shall bear~~, the amount bears interest at the rate determined pursuant to section 16A.124, except that the purchaser ~~shall not be~~ is not required to pay interest that totals $1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the commissioner of revenue according to chapter 16D, who shall proceed to collect the ~~same~~ amount due. When deemed in the best interests of the state, the commissioner shall take possession of the timber for which an amount is due wherever it may be found and sell the ~~same~~ timber informally or at public auction after giving reasonable notice.

(b) The proceeds of the sale ~~shall~~ must be applied, first, to the payment of the expenses of seizure and sale~~;~~ and, second, to the payment of the amount due for the timber, with interest~~; and~~. The surplus, if any, ~~shall belong~~ belongs to the state~~; and,~~. In case a sufficient amount is not realized to pay these amounts in full, the balance ~~shall~~ must be collected by the attorney general. ~~Neither~~ Payment of the amount, ~~nor the~~ recovery of judgment ~~therefor~~ for the amount, ~~nor~~ satisfaction of the judgment, ~~nor the~~ or seizure and sale of timber~~, shall~~ does not:

(1) release the sureties on any security deposit given pursuant to this chapter~~, or~~;

(2) preclude the state from afterwards claiming that the timber was cut or removed contrary to law and recovering damages for the trespass thereby committed~~,~~; or

(3) preclude the state from prosecuting the offender criminally.

Sec. 21. Minnesota Statutes 2020, section 97A.015, is amended by adding a subdivision to read:

Subd. 32b. **Native swan.** "Native swan" means trumpeter swans and tundra swans and does not include mute swans.

Sec. 22. Minnesota Statutes 2020, section 97A.126, as amended by Laws 2021, First Special Session chapter 6, article 2, section 52, is amended to read:

97A.126 WALK-IN ACCESS PROGRAM.

Subdivision 1. **Establishment.** A walk-in access program is established to provide public access to wildlife habitat on private land for hunting, bird-watching, nature photography, and similar compatible uses, excluding trapping, as provided under this section. The commissioner may enter into agreements with other units of government and landowners to provide private land hunting access.

Subd. 2. **Use of enrolled lands.** (a) From September 1 to May 31, a person must have a walk-in access ~~hunter~~ validation in possession to hunt, photograph, and watch wildlife on private lands, including agricultural lands, that are posted as being enrolled in the walk-in access program.

(b) Hunting, bird-watching, nature photography, and similar compatible uses on private lands that are posted as enrolled in the walk-in access program ~~is~~ are allowed from one-half hour before sunrise to one-half hour after sunset.

(c) ~~Hunter~~ Access on private lands that are posted as enrolled in the walk-in access program is restricted to nonmotorized use, except by ~~hunters~~ persons with disabilities operating motor vehicles on established trails or field roads who possess a valid permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.

(d) The general provisions for use of wildlife management areas adopted under sections 86A.06 and 97A.137, relating to overnight use, alcoholic beverages, use of motorboats, firearms and target shooting, hunting stands, abandonment of trash and property, destruction or removal of property, introduction of plants or animals, and animal trespass, apply to ~~hunters on~~ use of lands enrolled in the walk-in access program.

(e) Any use of enrolled lands other than ~~hunting according to~~ use authorized under this section is prohibited, including:

(1) harvesting bait, including minnows, leeches, and other live bait;

(2) training dogs or using dogs for activities other than hunting; and

(3) constructing or maintaining any building, dock, fence, billboard, sign, hunting blind, or other structure, unless constructed or maintained by the landowner.

Subd. 3. **Walk-in-access ~~hunter~~ validation; fee.** The fee for a walk-in-access ~~hunter~~ validation is $3.

Sec. 23. Minnesota Statutes 2020, section 97A.137, subdivision 3, is amended to read:

Subd. 3. **Use of motorized vehicles by ~~disabled hunters~~ people with disabilities.** The commissioner may ~~issue~~ provide an accommodation by issuing a special permit, without a fee, authorizing a ~~hunter~~ person with a ~~permanent physical~~ disability to use ~~a snowmobile, highway licensed vehicle, all-terrain vehicle,~~ an other power-driven mobility device, as defined under Code of Federal Regulations, title 28, section 35.104, or a motor boat in wildlife management areas. To qualify for a permit under this subdivision, the ~~disabled~~ person must ~~possess:~~

~~(1) the required hunting licenses; and~~

~~(2) a permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.~~ provide credible assurance to the commissioner that the device or motor boat is used because of a disability.

Sec. 24. Minnesota Statutes 2020, section 97A.475, subdivision 41, is amended to read:

Subd. 41. **Turtle ~~licenses~~ license.** ~~(a) The fee for a turtle seller's license to sell turtles and to take, transport, buy, and possess turtles for sale is $250.~~

~~(b)~~ The fee for a recreational turtle license to take, transport, and possess turtles for personal use is $25.

~~(c) The fee for a turtle seller's apprentice license is $100.~~

Sec. 25. **[97B.673] NONTOXIC SHOT REQUIRED FOR TAKING SMALL GAME IN CERTAIN AREAS.**

Subdivision 1. **Nontoxic shot on wildlife management areas in farmland zone.** After July 1, 2023, a person may not take small game, rails, or common snipe on any wildlife management area within the farmland zone with shot other than:

(1) steel shot;

(2) copper-plated, nickel-plated, or zinc-plated steel shot; or

(3) shot made of other nontoxic material approved by the director of the United States Fish and Wildlife Service.

Subd. 2. **Farmland zone.** For the purposes of this section, the farmland zone is the portion of the state that falls south and west of Minnesota Highway 70 westward from the Wisconsin border to Minnesota Highway 65 to Minnesota Highway 23 to U.S. Highway 169 at Milaca to Minnesota Highway 18 at Garrison to Minnesota Highway 210 at Brainerd to U.S. Highway 10 at Motley to U.S. Highway 59 at Detroit Lakes northward to the Canadian border.

Sec. 26. **[97B.735] SWANS.**

A person who takes, harasses, destroys, buys, sells, possesses, transports, or ships a native swan in violation of the game and fish laws is guilty of a gross misdemeanor.

Sec. 27. Minnesota Statutes 2020, section 97C.605, subdivision 1, is amended to read:

Subdivision 1. ~~**Resident angling license required**~~ **Taking turtles; requirements.** ~~In addition to any other license required in this section,~~ (a) A person may not take, possess, or transport turtles without a resident angling license~~, except as provided in subdivision 2c~~ and a recreational turtle license.

(b) Turtles taken from the wild are for personal use only and may not be resold.

Sec. 28. Minnesota Statutes 2020, section 97C.605, subdivision 2c, is amended to read:

Subd. 2c. **License exemptions.** (a) A person does not need ~~a turtle seller's license or an angling license~~ the licenses specified under subdivision 1:

~~(1) when buying turtles for resale at a retail outlet;~~

~~(2)~~ (1) when buying a turtle at a retail outlet; or

~~(3) if the person is a nonresident buying a turtle from a licensed turtle seller for export out of state. Shipping documents provided by the turtle seller must accompany each shipment exported out of state by a nonresident. Shipping documents must include: name, address, city, state, and zip code of the buyer; number of each species of turtle; and name and license number of the turtle seller; or~~

~~(4)~~ (2) to take, possess, and rent ~~or sell~~ up to 25 turtles greater than four inches in length for the purpose of providing the turtles to participants at a nonprofit turtle race, if the person is a resident under age 18. The person is responsible for the well-being of the turtles.

(b) A person with an aquatic farm license with a turtle endorsement or a private fish hatchery license with a turtle endorsement may sell, obtain, possess, transport, and propagate turtles and turtle eggs according to Minnesota Rules, part 6256.0900, without the licenses specified under subdivision 1.

Sec. 29. Minnesota Statutes 2021 Supplement, section 97C.605, subdivision 3, is amended to read:

Subd. 3. **Taking; methods prohibited.** ~~(a)~~ A person may not take turtles by using:

(1) explosives, drugs, poisons, lime, and other harmful substances;

(2) traps~~, except as provided in paragraph (b) and rules adopted under this section~~;

(3) nets other than anglers' fish landing nets;

(4) commercial equipment~~, except as provided in rules adopted under this section~~;

(5) firearms and ammunition;

(6) bow and arrow or crossbow; or

(7) spears, harpoons, or any other implements that impale turtles.

~~(b) Until new rules are adopted under this section, a person with a turtle seller's license may take turtles with a floating turtle trap that:~~

~~(1) has one or more openings above the water surface that measure at least ten inches by four inches; and~~

~~(2) has a mesh size of not less than one-half inch, bar measure.~~

Sec. 30. Minnesota Statutes 2021 Supplement, section 97C.611, is amended to read:

97C.611 TURTLE SPECIES; LIMITS.

Subdivision 1. **Snapping turtles.** A person may not possess more than three snapping turtles of the species *Chelydra serpentina* ~~without a turtle seller's license~~. Until new rules are adopted under section 97C.605, a person may not take snapping turtles of a size less than ten inches wide including curvature, measured from side to side across the shell at midpoint. After new rules are adopted under section 97C.605, a person may only take snapping turtles of a size specified in the adopted rules.

Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western painted turtles of the species *Chrysemys picta* ~~without a turtle seller's license~~. Western painted turtles must be between 4 and 5-1/2 inches in shell length.

(b) This subdivision does not apply to persons acting under section 97C.605, subdivision 2c, paragraph (a), clause ~~(4)~~ (2).

Subd. 3. **Spiny softshell.** A person may not possess spiny softshell turtles of the species *Apalone spinifera* ~~after December 1, 2021~~, without an aquatic farm or private fish hatchery license with a turtle endorsement.

Subd. 4. **Other species.** A person may not possess any other species of turtle ~~without~~ except with an aquatic farm or private fish hatchery license with a turtle endorsement or as specified under section 97C.605, subdivision 2c.

Sec. 31. Minnesota Statutes 2020, section 103B.101, subdivision 2, is amended to read:

Subd. 2. **Voting members.** (a) The members are:

(1) three county commissioners;

(2) three soil and water conservation district supervisors;

(3) three watershed district or watershed management organization representatives;

(4) three citizens who are not employed by, or the appointed or elected officials of, a state governmental office, board, or agency;

(5) one township officer;

(6) two elected city officials, one of whom must be from a city located in the metropolitan area, as defined under section 473.121, subdivision 2;

(7) the commissioner of agriculture;

(8) the commissioner of health;

(9) the commissioner of natural resources;

(10) the commissioner of the Pollution Control Agency; and

(11) the director of the University of Minnesota Extension Service.

(b) Members in paragraph (a), clauses (1) to (6), must be distributed across the state with at least four members but not more than six members from the metropolitan area, as defined by section 473.121, subdivision 2.

(c) Members in paragraph (a), clauses (1) to (6), are appointed by the governor. In making the appointments, the governor may consider persons recommended by the Association of Minnesota Counties, the Minnesota Association of Townships, the League of Minnesota Cities, the Minnesota Association of Soil and Water Conservation Districts, and the Minnesota Association of Watershed Districts. The list submitted by an association must contain at least three nominees for each position to be filled.

(d) The membership terms, compensation, removal of members and filling of vacancies on the board for members in paragraph (a), clauses (1) to (6), are as provided in section 15.0575, except that a member may be compensated at the rate of up to $125 a day.

Sec. 32. Minnesota Statutes 2020, section 103B.103, is amended to read:

103B.103 EASEMENT STEWARDSHIP ACCOUNTS.

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, ~~wetland banking~~ mitigation fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** (a) Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent ~~only~~ to cover the costs of managing easements held by the board, including costs associated with:

(1) repairing or replacing structures;

(2) monitoring~~,~~;

(3) landowner contacts~~,~~;

(4) records storage and management~~,~~;

(5) processing landowner notices~~,~~;

(6) requests for approval or amendments~~,~~;

(7) enforcement~~,~~; and

(8) legal services associated with easement management activities.

(b) In addition to the amounts appropriated under paragraph (a), up to ten percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and up to ten percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board for emergency repair and replacement of water control structures when the amount appropriated in paragraph (a) is insufficient to cover the costs. The board must include a summary of how money appropriated under this paragraph in the prior two fiscal years was used in the report required under section 103B.101, subdivision 9, paragraph (a), clause (7).

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each wetland ~~banking~~ mitigation easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

(1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;

(2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;

(3) the estimated annual travel expenses to manage the easement;

(4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;

(5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation; ~~and~~

(6) the estimated annualized costs for repairing or replacing water control structures; and

~~(6)~~ (7) the expected rate of return on investments in the account.

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

Sec. 33. **[103B.104] LAWNS TO LEGUMES PROGRAM.**

The Board of Water and Soil Resources must establish a program to provide grants or payments to plant residential lawns with native vegetation and pollinator-friendly forbs and legumes to protect a diversity of pollinators. The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may be made for up to 75 percent of the costs of the project, except that, in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees to be present, grants may be awarded for up to 90 percent of the costs of the project.

Sec. 34. **[103C.701] SOIL HEALTH GOALS.**

The state of Minnesota's soil health goals are that:

(1) at least 5,750,000 acres employ cover crops, perennial crops, no-till, or managed rotational grazing by 2030;

(2) at least 11,500,000 acres employ cover crops, perennial crops, no-till, or managed rotational grazing by 2035; and

(3) at least 23,000,000 acres employ cover crops, perennial crops, no-till, or managed rotational grazing by 2040.

Sec. 35. **[103E.122] DRAINAGE REGISTRY INFORMATION PORTAL.**

(a) The executive director of the Board of Water and Soil Resources must establish and maintain a drainage registry information portal that includes a searchable electronic database of all documents initiating proceedings and nonpetitioned repairs under this chapter. The database must permit members of the public to easily search for and retrieve documents by:

(1) the name of the county or watershed district where the petition or document was filed;

(2) the type of petition or document filed;

(3) the date of the petition or document; and

(4) other identifiers that allow members of the public to easily access information on the proceeding or repair.

(b) For each proceeding, the database must include the contact information for a local contact that can provide additional information on the proceeding or repair.

(c) For any proceeding or nonpetitioned repair brought under this chapter, the drainage authority must file with the executive director an electronic copy of the petition or other document initiating the drainage project or repair. The petition or other document must be filed within ten calendar days of filing the petition or other document with the county auditor or secretary or, for nonpetitioned repairs, within ten days of ordering the repair. A drainage authority may not take any action on a drainage proceeding or repair if the proceeding does not comply with this section.

(d) For any repair or maintenance undertaken under this chapter without a petition, the drainage authority must file with the executive director an electronic copy of the drainage inspection report or other document initiating the repair or maintenance within ten calendar days of the drainage inspection report or other document being presented to the drainage authority. A drainage authority may not take any action on a drainage inspector's report or otherwise order a repair or maintenance until the drainage inspector's report has been posted on the drainage registry information portal for 30 days.

Sec. 36. **[103F.49] SOIL HEALTH COST-SHARE PROGRAM.**

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

(b) "Board" means the Board of Water and Soil Resources.

(c) "Local units of government" has the meaning given under section 103B.305, subdivision 5.

(d) "Soil health" has the meaning given under section 103C.101, subdivision 10a.

Subd. 2. **Establishment.** The board must administer a cost-share program consistent with section 103C.501 to establish soil health practices that mitigate climate change impacts, improve water quality, and provide related public benefits.

Subd. 3. **Financial assistance.** (a) The board may provide financial assistance to local units of government, private sector providers, and farmers for the costs of soil health and related water-quality practices consistent with a plan approved according to chapter 103B, 103C, or 103D. The board must establish costs eligible for financial and technical assistance under this section.

(b) The board may enter into agreements with local units of government receiving financial assistance under this subdivision.

(c) Financial assistance under this subdivision must give priority to multiyear contracts and to leveraging contributions from nonstate sources.

(d) Financial assistance under this subdivision must give priority to multiyear contracts that prioritize long-term soil health practices, including but not limited to no-till, field borders, prairie strips, and other practices sanctioned by the board or the United States Department of Agriculture's Natural Resources Conservation Service, that, separately or together with other conservation practices, provide durable soil health and related benefits.

Subd. 4. **Technical assistance; review.** (a) The board may employ or contract with experts to implement the soil health program under this section.

(b) When implementing the soil health program, the board must:

(1) assist local units of government in achieving the objectives of the program;

(2) review and assess practice standards; and

(3) evaluate the effectiveness of completed practices.

Subd. 5. **Federal aid availability.** The board must regularly complete an analysis of the availability of federal funds and programs to supplement or complement state and local efforts consistent with the purposes of this section.

Sec. 37. **[103G.134] ORDERS AND INVESTIGATIONS.**

(a) The commissioner has the following powers and duties when acting pursuant to the enforcement provisions of this chapter:

(1) to adopt, issue, reissue, modify, deny, revoke, enter into, or enforce reasonable orders, schedules of compliance, and stipulation agreements;

(2) to issue notices of violation;

(3) to require a person holding a permit issued under this chapter or otherwise impacting the public waters of the state without a permit issued under this chapter to:

(i) make reports;

(ii) install, use, and maintain monitoring equipment or methods;

(iii) perform tests according to methods, at locations, at intervals, and in a manner as the commissioner prescribes; and

(iv) provide other information as the commissioner may reasonably require; and

(4) to conduct investigations; issue notices, public and otherwise; and order hearings as the commissioner deems necessary or advisable to discharge duties under this chapter, including but not limited to issuing permits and authorizing an employee or agent appointed by the commissioner to conduct the investigations and other authorities cited in this section.

Sec. 38. **[103G.146] DUTY OF CANDOR.**

(a) A person must not knowingly:

(1) make a false statement of fact or fail to correct a false statement of material fact regarding any matter pertaining to this chapter;

(2) fail to disclose information that the person knows is necessary for the commissioner to make an informed decision under this chapter; or

(3) offer information that the person knows to be false.

(b) If a person has offered material information to the commissioner and the person comes to know the information is false, the person must take reasonable remedial measures to provide the accurate information.

Sec. 39. Minnesota Statutes 2020, section 103G.271, is amended by adding a subdivision to read:

Subd. 2a. **Public meeting.** Before issuing a water-use permit or a plan for consumptive use of more than 100,000,000 gallons per year average, the commissioner must hold a public meeting. The meeting may be held in the county affected most by the potential impact to the public groundwater resource or by using interactive technology that allows members of the public to participate from a remote location, including providing public comments during the public comment period of the meeting. At least 21 days before the public meeting, the commissioner must publish notice of the meeting in a newspaper of general circulation in the county and must mail the notice to persons who have registered their names with the commissioner for this purpose.

Sec. 40. Minnesota Statutes 2020, section 103G.287, subdivision 5, is amended to read:

Subd. 5. **Sustainability standard.** (a) The commissioner may issue water-use permits for appropriation from groundwater only if the commissioner determines that the groundwater use is sustainable to supply the needs of future generations and the proposed use will not harm ecosystems, degrade water, or reduce water levels beyond the reach of public water supply and private domestic wells constructed according to Minnesota Rules, chapter 4725.

(b) When determining whether a consumptive use of groundwater is sustainable, the commissioner must make a determination that the level of recharge to the aquifer impacted is sufficient to replenish the groundwater supply to meet the needs of future generations.

Sec. 41. Minnesota Statutes 2020, section 103G.299, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue administrative penalty orders.** (a) As provided in paragraph (b), the commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of sections 103G.271 and 103G.275, and any rules adopted under those sections.

(b) An order under this section may be issued to a person for water appropriation activities without a required permit or for violating the terms of a required permit.

(c) The order must be issued as provided in this section and in accordance with the plan prepared under subdivision 12.

Sec. 42. Minnesota Statutes 2020, section 103G.299, subdivision 2, is amended to read:

Subd. 2. **Amount of penalty; considerations.** (a) The commissioner may issue orders assessing administrative penalties ~~based on potential for harm and deviation from compliance. For a violation that presents:~~ up to $40,000.

~~(1) a minor potential for harm and deviation from compliance, the penalty will be no more than $1,000;~~

~~(2) a moderate potential for harm and deviation from compliance, the penalty will be no more than $10,000; and~~

~~(3) a severe potential for harm and deviation from compliance, the penalty will be no more than $20,000.~~

(b) In determining the amount of a penalty the commissioner may consider:

(1) the gravity of the violation, including potential for, or real, damage to the public interest or natural resources of the state;

(2) the history of past violations;

(3) the number of violations;

(4) the economic benefit gained by the person by allowing or committing the violation based on data from local or state bureaus or educational institutions; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(c) For a violation after an initial violation, including a continuation of the initial violation, the commissioner must, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

(1) similarity of the most recent previous violation and the violation to be penalized;

(2) time elapsed since the last violation;

(3) number of previous violations; and

(4) response of the person to the most recent previous violation identified.

Sec. 43. Minnesota Statutes 2020, section 103G.299, subdivision 5, is amended to read:

Subd. 5. **Penalty.** (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's determination under subdivision 4, paragraph (c), if the person subject to the order has provided information to the commissioner that the commissioner determines is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For repeated or serious violations, the commissioner may issue an order with a penalty that is not forgiven after the corrective action is taken. The penalty is due ~~by~~ 31 days after the order ~~was~~ is received, unless review of the order under subdivision 6 or 7 ~~has been~~ is sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty ~~was~~ is received.

Sec. 44. Minnesota Statutes 2020, section 103G.299, subdivision 10, is amended to read:

Subd. 10. **Cumulative remedy.** The authority of the commissioner to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law~~, except that the state may not seek civil penalties under any other provision of law for the violations covered by the administrative penalty order~~. The payment of a penalty does not preclude the use of other enforcement provisions~~, under which penalties are not assessed,~~ in connection with the violation for which the penalty was assessed.

Sec. 45. **[103G.2991] PENALTIES; ENFORCEMENT.**

Subdivision 1. **Civil penalties.** (a) The commissioner, according to section 103G.134, may issue a notice to a person who violates:

(1) this chapter;

(2) a permit issued under this chapter or a term or condition of a permit issued under this chapter;

(3) a duty under this chapter to permit an inspection, entry, or monitoring activity or a duty under this chapter to carry out an inspection or monitoring activity;

(4) a rule adopted under this chapter;

(5) a stipulation agreement, variance, or schedule of compliance entered into under this chapter; or

(6) an order issued by the commissioner under this chapter.

(b) A person issued a notice forfeits and must pay to the state a penalty, in an amount to be determined by the district court, of not more than $10,000 per day of violation.

(c) In the discretion of the district court, a defendant under this section may be required to:

(1) forfeit and pay to the state a sum that adequately compensates the state for the reasonable value of restoration, monitoring, and other expenses directly resulting from the unauthorized use of or damage to natural resources of the state; and

(2) forfeit and pay to the state an additional sum to constitute just compensation for any damage, loss, or destruction of the state's natural resources and for other actual damages to the state caused by an unauthorized use of natural resources of the state.

(d) As a defense to damages assessed under paragraph (c), a defendant may prove that the violation was caused solely by:

(1) an act of God;

(2) an act of war;

(3) negligence on the part of the state;

(4) an act or failure to act that constitutes sabotage or vandalism; or

(5) any combination of clauses (1) to (5).

(e) The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state in Ramsey County District Court. Civil penalties and damages provided for in this subdivision may be resolved by the commissioner through a negotiated stipulation agreement according to the authority granted to the commissioner in section 103G.134.

Subd. 2. **Enforcement.** This chapter and rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the commissioner under this chapter or any other law for preventing, controlling, or abating damage to natural resources may be enforced by one or more of the following:

(1) criminal prosecution;

(2) action to recover civil penalties;

(3) injunction;

(4) action to compel performance; or

(5) other appropriate action according to this chapter.

Subd. 3. **Injunctions.** A violation of this chapter or rules, standards, orders, stipulation agreements, variances, schedules of compliance, and permits adopted or issued under this chapter constitutes a public nuisance and may be enjoined as provided by law in an action, in the name of the state, brought by the attorney general.

Subd. 4. **Actions to compel performance.** (a) In an action to compel performance of an order issued by the commissioner for any purpose related to preventing, controlling, or abating damage to natural resources under this chapter, the court may require a defendant adjudged responsible to do and perform any and all acts and things within the defendant's power that are reasonably necessary to accomplish the purposes of the order.

(b) In case a municipality or its governing or managing body or any of its officers is a defendant, the court may require the municipality to exercise its powers, without regard to any limitation of a requirement for an election or referendum imposed thereon by law and without restricting the powers of the commissioner, to do any or all of the following, without limiting the generality hereof:

(1) levy taxes or special assessments;

(2) prescribe service or use charges;

(3) borrow money;

(4) issue bonds;

(5) employ assistance;

(6) acquire real or personal property;

(7) let contracts;

(8) otherwise provide for doing work or constructing, installing, maintaining, or operating facilities; and

(9) do all other acts and things reasonably necessary to accomplish the purposes of the order.

(c) The court must grant a municipality under paragraph (b) the opportunity to determine the appropriate financial alternatives to be used to comply with the court-imposed requirements.

(d) An action brought under this subdivision must be venued in Ramsey County District Court.

Sec. 46. Minnesota Statutes 2020, section 115.061, is amended to read:

115.061 DUTY TO NOTIFY; AVOIDING WATER POLLUTION.

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

(c) Promptly after notifying the agency of a discharge under paragraph (a), a publicly owned treatment works or a publicly or privately owned domestic sewer system owner must provide notice to the potentially impacted public and to any downstream drinking water facility that may be impacted by the discharge. Notice to the public and to any drinking water facility must be made using the most efficient communications system available to the facility owner such as in person, phone call, radio, social media, web page, or another expedited form. In addition, signs in sufficient number to alert the public must be posted at all impacted public use areas within the same jurisdiction or notice must be provided to the entity that has jurisdiction over any impacted public use areas. A notice under this paragraph must include the date and time of the discharge, a description of the material released, a warning of the potential public health risk, and the permittee's contact information. The agency must provide guidance that includes but is not limited to methods and protocols for providing timely notice under this section.

Sec. 47. Minnesota Statutes 2020, section 115.071, is amended by adding a subdivision to read:

Subd. 3a. **Public informational meeting.** (a) The commissioner, before finalizing a stipulation agreement or consent decree with a facility in which the agency is seeking a settlement amount greater than $25,000, must hold a public informational meeting at a convenient time at a location near the facility to:

(1) notwithstanding section 13.39, subdivision 2, describe the amount, frequency, duration, and chemical nature of the pollution released or emitted by the facility and the risks to public health and the environment from that exposure; and

(2) allow members of the public, including those persons potentially exposed to pollution released or emitted from the facility, to make the agency aware of:

(i) interactions between the facility and the public regarding the facility's operations;

(ii) operational problems or incidents that have occurred at the facility; and

(iii) suggestions regarding supplemental environmental projects that the public may prefer as part of a stipulation agreement or consent decree between the facility and the agency.

(b) For the purposes of this section, "supplemental environmental project" means a project that benefits the environment or public health and that a regulated facility agrees to undertake as part of a settlement with respect to an enforcement action taken by the agency to resolve noncompliance.

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

Sec. 48. **[115A.5591] COMPOSTING; MULTIFAMILY BUILDINGS; COMPETITIVE GRANT PROGRAM.**

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

(b) "Common interest community" has the meaning given in section 515B.1-103, clause (10).

(c) "Composting" means the controlled biological decomposition of source-separated food wastes through an aerobic method of accelerating natural decomposition that takes place at a site separate from the residence or location of any generator of source-separated food wastes.

(d) "Homeowners association" means an association of residential unit owners that is organized to govern and administer a common interest community, regardless of whether the common interest community is subject to chapter 515B.

(e) "Minnesota Tribal government" has the meaning given in section 10.65, subdivision 2, paragraph (a), clause (4).

(f) "Multifamily building" means an apartment facility containing four or more dwelling units, each to be rented by a person or family for use as a residence.

(g) "Source-separated food wastes" means food wastes that are separated at the source by waste generators for the purpose of preparing them for composting.

Subd. 2. **Grant program established.** The commissioner must establish a competitive grant program to provide financial assistance to develop and implement pilot projects that encourage and increase composting by residents of multifamily buildings in areas where compost is not collected at curbside. Each grant must include an educational component on the methods and benefits of composting.

Subd. 3. **Eligible applicants.** A grant may be awarded under this section to:

(1) a political subdivision;

(2) an owner of a multifamily building;

(3) an organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

(4) a Minnesota Tribal government; or

(5) a homeowners association.

Subd. 4. **Application.** The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section.

Subd. 5. **Eligible expenditures.** Appropriations made for the grant program under this section may be used only to:

(1) provide grants as specified in this section; and

(2) reimburse the reasonable expenses of the Pollution Control Agency in administering the grant program.

Subd. 6. **Grant awards.** In awarding grants under this section, the commissioner shall give priority to applications filed by applicants who meet the conditions of subdivision 3, clause (3).

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

Sec. 49. **[115A.561] ZERO-WASTE GRANT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions apply.

(b) "Adaptive management practices" means the integration of project design, management, and monitoring to identify project impacts and outcomes as they arise and adjust behaviors to improve outcomes.

(c) "Eligible entity" means a nonprofit or unit of government.

(d) "Embodied energy" means energy that was used to create a product or material.

(e) "Living wage" means the minimum income necessary to allow a person working 40 hours per week to afford the cost of housing, food, and other material necessities.

(f) "Organics recycling" means the biological processes by which organics streams are converted to compost that is not harmful to humans, plants, or animals.

(g) "Recycling" means the mechanical processing of materials that have reached the end of their current use into materials to be used in the production of new products. Recycling does not include incineration or any energy recovery process or depolymerization or a similar process.

(h) "Reuse" does not mean incineration, but does mean:

(1) using a product, packaging, or resource more than once for the same or a new function with little or no processing; or

(2) repairing a product so it can be used longer, sharing or renting it, or selling or donating it to another party.

(i) "Source reduction" does not mean incineration, but does mean:

(1) activities that reduce consumption of products or services that create physical outputs, such as packaging, that are secondary to the intended use of the item being consumed;

(2) measures or techniques that reduce the amount of waste generated during production processes; and

(3) reducing or eliminating use of materials that are not able to be recycled without degrading the quality of the material.

(j) "Source-separated" means the separation of a stream of recyclable materials at the point of waste creation before materials are collected and centralized. Source-separated does not include technologies that sort mixed municipal solid waste into recyclable and nonrecyclable materials.

(k) "Waste prevention" means reuse, recycling, and other methods to reduce the amount of materials disposed of in landfills or incinerated.

(l) "Zero waste" means conservation of all resources by means of responsible production, consumption, reuse, and recovery of products, packaging, and materials without burning or otherwise destroying embodied energy, with no discharges to land, water, or air that threaten the environment or human health.

(m) "Zero-waste practice" means a practice used to help achieve zero waste, including source reduction and waste prevention.

Subd. 2. **Establishment.** The commissioner must establish a competitive grant program for eligible entities to pursue projects that are consistent with zero-waste practices, including projects in the following four categories:

(1) electronic waste reuse and recycling under subdivision 3;

(2) source reduction under subdivision 4;

(3) market development under subdivision 5; and

(4) organics recycling infrastructure under subdivision 6.

Subd. 3. **Electronic waste reuse and recycling.** Projects under this subdivision must relate to electronic waste reuse and recycling and must be carried out by an organization certified in sustainable electronic waste standards by an organization accredited by the National Accreditation Board of the American National Standards Institute and the American Society for Quality, or another accrediting body as determined by the commissioner. Grant funds for the projects may be used for infrastructure, technology, research and development, and product refurbishment. Projects must not include an electronic waste buy-back program that provides compensation for used electronics as a credit toward the purchase of additional electronics.

Subd. 4. **Source reduction.** Projects under this subdivision must relate to source reduction. Grants for the projects may be used for educational programming and outreach activities to encourage consumer behavior change or for product or manufacturing redesign or redevelopment to reduce by-products, packaging, and other outputs. For

projects involving product or manufacturing redesign or redevelopment, the applicable manufacturer must pay a living wage and the redevelopment or redesign must not result in higher toxicity or more complicated recyclability of the product or by-products or increased volume of the by-products.

Subd. 5. **Market development.** Projects under this subdivision must relate to market development with respect to source reduction or waste prevention, including creating demand for sorted recyclable commodities and refurbished goods. The projects must target easily or commonly recycled materials that are disproportionately disposed of in landfills or incinerated and must reduce the volume, weight, or toxicity of waste and waste by-products. Projects must not conflict with other laws or requirements as identified by the commissioner.

Subd. 6. **Organics recycling infrastructure.** Projects under this subdivision must relate to organics recycling infrastructure. Grants for the projects may be used for facilities, machinery, equipment, and other physical necessities required for organics collection or processing on a city- or county-wide scale. Projects under this subdivision must result in increased capacity for residential and commercial source-separated organics streams and generate a usable product that has demonstrable environmental benefits when compared to the input materials, such as compost with added nutritional content. Projects may not include mixed-waste composting.

Subd. 7. **Grant process.** (a) The commissioner must award grants to eligible entities through a competitive grant process.

(b) To receive a grant, an eligible entity must submit a written application to the commissioner using the form developed by the commissioner and including any information requested by the commissioner.

(c) The application must demonstrate that the eligible entity has set specific source reduction or waste prevention targets and that the project will take place in a community in the 80th percentile or higher for one or more pollutants as noted in the EJScreen tool, or any successor system, of the federal Environmental Protection Agency.

Subd. 8. **Award criteria.** In awarding grants under this section, the commissioner must give priority to eligible entities with projects that:

(1) could lead to the creation of new jobs that pay a living wage, with additional preference for jobs for individuals with barriers to employment;

(2) achieve source reduction or waste prevention in schools;

(3) employ adaptive management practices to identify, prevent, or address any negative environmental consequences of the proposed project;

(4) demonstrate need for additional investment in infrastructure and projects to achieve source reduction and waste prevention targets set by the local unit of government responsible for waste and recycling projects in the geographic area;

(5) will develop innovative or new technologies or strategies for source reduction and waste prevention;

(6) will encourage further investment in source reduction and waste prevention projects; or

(7) will incorporate multistakeholder involvement, including nonprofit, commercial, and public sector partners.

Subd. 9. **Report to the legislature.** By January 15, 2024, the commissioner must submit a report as required under section 3.195 that details the use of grant money. A copy of this report must also be sent to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and environment.

Sec. 50. **[115A.993] PROHIBITED DISPOSAL METHODS.**

A person must not dispose of seed treated with neonicotinoid pesticide in a manner inconsistent with the product label, where applicable, or by:

(1) burying near a drinking water source or any creek, stream, river, lake, or other surface water;

(2) composting; or

(3) incinerating within a home or other dwelling.

Sec. 51. Minnesota Statutes 2020, section 115B.17, subdivision 14, is amended to read:

Subd. 14. **Requests for review, investigation, and oversight.** (a) The commissioner may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) Except as otherwise provided in this paragraph, the person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. A state agency, political subdivision, or other public entity is not required to pay for the agency's cost to review agency records and files. ~~Money received by the agency for assistance under this section~~ The first $350,000 received annually by the agency for assistance under this subdivision from persons who are not otherwise responsible under sections 115B.01 to 115B.18 must be deposited in the remediation fund and is exempt from section 16A.1285. Money received after the first $350,000 must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is annually appropriated to the commissioner for the purposes of administering this subdivision.

(c) When a person investigates a release or threatened release in accordance with an investigation plan approved by the commissioner under this subdivision, the investigation does not associate that person with the release or threatened release for the purpose of section 115B.03, subdivision 3, paragraph (a), clause (4).

Sec. 52. Minnesota Statutes 2020, section 115B.52, subdivision 4, is amended to read:

Subd. 4. **Reporting.** The commissioner of the Pollution Control Agency and the commissioner of natural resources must jointly submit:

(1) by April 1, 2019, an implementation plan detailing how the commissioners will:

(i) determine how the priorities in the settlement will be met and how the spending will move from the first priority to the second priority and the second priority to the third priority outlined in the settlement; and

(ii) evaluate and determine what projects receive funding;

(2) by ~~February 1 and August~~ October 1 each year, a ~~biannual~~ report to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over environment and natural resources on expenditures from the water quality and sustainability account during the previous ~~six months~~ fiscal year; and

(3) by ~~August 1, 2019, and~~ October 1 each year ~~thereafter~~, a report to the legislature on expenditures from the water quality and sustainability account during the previous fiscal year and a spending plan for anticipated expenditures from the account during the current fiscal year.

Sec. 53. Minnesota Statutes 2020, section 116.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** The definitions given in this section shall obtain for the purposes of sections 116.01 to ~~116.075~~ 116.076 except as otherwise expressly provided or indicated by the context.

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

Sec. 54. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 6a. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

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

Sec. 55. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 10a. **Environmental justice.** "Environmental justice" means that:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of the area's and its residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of those residents to additional exposure to pollutants.

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

Sec. 56. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 10b. **Environmental justice area.** "Environmental justice area" means one or more census tracts in the state:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency; or

(2) that is in Indian Country, as defined in United States Code, title 18, section 1151.

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

Sec. 57. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 14a. **Microplastics.** "Microplastics" means small pieces of plastic debris in the environment that are less than five millimeters in length and that result from the disposal and breakdown of consumer products and industrial waste.

Sec. 58. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 14b. **Nanoplastics.** "Nanoplastics" means particles with a size ranging from one to 1,000 nanometers that are unintentionally produced from the manufacture or degradation of plastic objects and that exhibit a colloidal behavior.

Sec. 59. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 17a. **Plastic.** "Plastic" means an organic or petroleum derivative synthetic or a semisynthetic organic solid that is moldable and to which additives or other substances may have been added. Plastic does not mean natural polymers that have not been chemically modified.

Sec. 60. **[116.062] AIR TOXICS EMISSIONS REPORTING.**

(a) The commissioner must require each facility operating under an air quality permit issued by the agency to annually report the facility's air toxics emissions to the agency, including a facility not required as a condition of its air quality permit to keep records of air toxics emissions. The commissioner must determine the method to be used by a facility to directly measure or estimate air toxics emissions. The commissioner must incorporate the requirement to annually report air toxics emissions into the air quality permit of each facility subject to this section.

(b) For the purposes of this section, "air toxic" means a chemical compound or compound class that is emitted into the air by a permitted facility and that is listed, reported, or identified under any of the following categories:

(1) hazardous air pollutants listed under the federal Clean Air Act, United States Code, title 42, section 7412, as amended;

(2) chemicals reported as released into the atmosphere by a facility located in the state for the Toxic Release Inventory under the federal Emergency Planning and Community Right-to-Know Act, United States Code, title 42, section 11023, as amended;

(3) chemicals of high concern, as listed by the Department of Health under section 116.9402;

(4) chemicals for which the Department of Health has adopted health-based values or risk assessment advice;

(5) chemicals for which the risk to human health has been assessed by the federal Environmental Protection Agency's Integrated Risk Information System;

(6) chemicals for which emission limits are incorporated into current facility permits; and

(7) chemicals reported by facilities in the agency's triennial emissions inventory.

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

Sec. 61. Minnesota Statutes 2020, section 116.07, subdivision 4a, is amended to read:

Subd. 4a. **Permits.** (a) The ~~Pollution Control Agency~~ commissioner may issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the emission of air contaminants, or for the installation or operation of any emission facility, air contaminant treatment facility, treatment facility, potential air contaminant storage facility, or storage facility, or any part thereof, or for the sources or emissions of noise pollution.

(b) The ~~Pollution Control Agency~~ commissioner may also issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the storage, collection, transportation, processing, or disposal of waste, or for the installation or operation of any system or facility, or any part thereof, related to the storage, collection, transportation, processing, or disposal of waste.

(c) The ~~agency~~ commissioner may not issue ~~a permit~~, renew, or approve a major amendment to a facility permit that potentially increases pollution levels or the toxicity of emissions in an environmental justice area without analyzing and considering:

(1) the cumulative levels and effects of past and current environmental pollution from all sources on the environment and residents of the ~~geographic area within which the facility's emissions are likely to be deposited, provided that the facility is located in a community in a city of the first class in Hennepin County that meets all of the following conditions: -~~environmental justice area, including mobile sources and toxic chemicals contaminating soils; and

(2) the demographic, social, and economic characteristics of the exposed population in the environmental justice area that affect the population's sensitivity to exposure to additional pollution, as required under subdivision 4m.

~~(1) is within a half mile of a site designated by the federal government as an EPA superfund site due to residential arsenic contamination;~~

~~(2) a majority of the population are low-income persons of color and American Indians;~~

~~(3) a disproportionate percent of the children have childhood lead poisoning, asthma, or other environmentally related health problems;~~

~~(4) is located in a city that has experienced numerous air quality alert days of dangerous air quality for sensitive populations between February 2007 and February 2008; and~~

~~(5) is located near the junctions of several heavily trafficked state and county highways and two one-way streets which carry both truck and auto traffic.~~

(d) The ~~Pollution Control Agency~~ commissioner may revoke or modify any permit issued under this subdivision and section 116.081 whenever it is necessary, in the opinion of the ~~agency~~ commissioner, to prevent or abate pollution.

(e) The ~~Pollution Control Agency~~ commissioner has the authority for approval over the siting, expansion, or operation of a solid waste facility with regard to environmental issues. However, ~~the agency's~~ issuance of a permit does not release the permittee from any liability, penalty, or duty imposed by any applicable county ordinances. Nothing in this chapter precludes, or shall be construed to preclude, a county from enforcing land use controls, regulations, and ordinances existing at the time of the permit application and adopted pursuant to sections 366.10 to 366.181, 394.21 to 394.37, or 462.351 to 462.365, with regard to the siting, expansion, or operation of a solid waste facility.

(f) Except as prohibited by federal law, a person may commence construction, reconstruction, replacement, or modification of any facility ~~prior to the issuance of a construction permit by the agency~~ before the commissioner issues a construction permit.

(g) A permit application must indicate whether the permit action sought is likely to impact the environment or the health of residents of an environmental justice area and must include the data used by the applicant to make the determination. If the application is filed before the commissioner identifies all environmental justice areas in the

state under section 116.076, the commissioner must determine whether, based on the application's projected impacts of issuing the permit, the area impacted qualifies as an environmental justice area and whether, as a result, a cumulative analysis is required.

(h) The commissioner must review the applicant's determination made under paragraph (g), and is responsible for determining whether a proposed permit will impact the environment or health of an environmental justice area.

(i) The agency's reasonable costs of complying with this subdivision are to be reimbursed by the permit applicant.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to an application for a new permit, permit renewal, or major permit amendment filed with the commissioner on or after that date.

Sec. 62. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 4m. **Demographic analysis.** (a) A permit applicant subject to subdivision 4a, paragraph (c), must provide the information listed in clauses (1) to (15), if available, in the permit application. The commissioner, in collaboration with the State Demographic Center, the Minnesota Department of Health, and other state agencies, must provide an applicant with a list of sources for the information required in clauses (1) to (15). The information is intended to indicate the degree of sensitivity of the exposed population to incremental pollution emitted from a facility seeking a permit or permit amendment and the exposed population's ability to withstand, respond to, or recover from exposure to additional pollution. This required information includes:

(1) racial and ethnic characteristics;

(2) income and poverty levels;

(3) the age distribution;

(4) the birth rate;

(5) education levels;

(6) the incidence of and hospital admission rates for respiratory disease, pulmonary disease, cancer, diabetes, asthma, high levels of blood lead concentrations, compromised immune systems, and other conditions that may be exacerbated by exposure to pollution;

(7) the incidence of substandard housing conditions;

(8) the proportion of the population without access to health insurance and medical care;

(9) the proportion of the population receiving public assistance and medical assistance;

(10) the incidence of low and very low food security, as defined by the United States Department of Agriculture publication Food Security in the U.S., Definitions of Food Security (2006 and as subsequently amended);

(11) biomonitoring data indicating body burdens of environmental pollutants;

(12) the presence of subpopulations that may be particularly sensitive to exposure to additional pollutants, including workers exposed to toxic chemicals in the workplace and subsistence fishers and hunters;

(13) microclimate or topographical factors of the area that affect exposure levels;

(14) other environmental stressors, including but not limited to noise, that impact the area population; and

(15) how the factors examined under this paragraph may interact to increase the likelihood of portions of the population sustaining an adverse effect from exposure to the additional pollution emitted by the permitted facility.

(b) A permit applicant must provide the information required under this subdivision to the commissioner in a format and at a level of quality and completeness required by the commissioner.

(c) The costs of complying with this subdivision must be paid by the permit applicant.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to an application for a new permit, permit renewal, or major permit amendment filed with the commissioner on or after that date.

Sec. 63. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 4n. **Permits; environmental justice area.** (a) At a public meeting held on a permit application required to undergo a cumulative analysis under subdivision 4a, paragraph (c), the commissioner must ensure that an accurate and complete reporting of public comments is made part of the public record on which the decision on permit issuance is based.

(b) Notwithstanding any other law, the commissioner must, after reviewing the permit application, the analysis of cumulative pollution conducted under subdivision 4a, paragraph (c), the permit applicant's demographic analysis under subdivision 4m, and any additional relevant information, including testimony and written comments received at a public meeting, determine whether the incremental environmental impacts that would result in an environmental justice area from approving the permit will, in conjunction with the cumulative pollution impacts and any heightened sensitivity to additional pollution of residents of the environmental justice area, cause or contribute to increased levels of environmental or health impacts compared with denying the permit.

(b) If the commissioner determines that approving the permit would cause or contribute to increased levels of environmental or health impacts compared with denying the permit, the commissioner must:

(1) deny the permit; or

(2) place conditions on the permit that eliminate any contribution to increased levels of environmental or health impacts from the permitted facility in an environmental justice area.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to an application for a new permit, permit renewal, or major permit amendment filed with the agency on or after that date.

Sec. 64. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 7f. **Financial assurance.** (a) Before the commissioner issues or renews a permit for a feedlot with a capacity of 1,000 or more animal units, the permit applicant must submit to the commissioner proof of financial assurance that satisfies the requirements under this subdivision. Financial assurance must be of an amount sufficient to pay the closure costs determined under paragraph (c) for the feedlot and manure storage area, with all terms and conditions of the financial assurance instrument approved by the commissioner. The commissioner, in evaluating financial assurance, may consult individuals with documented experience in the analysis. The applicant must pay all costs incurred by the commissioner to obtain this analysis.

(b) A permittee must maintain sufficient financial assurance for the duration of the permit and demonstrate to the commissioner's satisfaction that:

(1) the funds will be available and made payable to the commissioner if the commissioner determines the permittee is not in full compliance with the closure requirements established by the commissioner in rule for feedlots and manure storage areas;

(2) the financial assurance instrument is fully valid, binding, and enforceable under state and federal law;

(3) the financial assurance instrument is not dischargeable through bankruptcy; and

(4) the financial assurance provider will give the commissioner at least 120 days' notice before cancelling the financial assurance instrument.

(c) The permit applicant must submit to the commissioner a documented estimate of costs required to implement the closure requirements established by the commissioner in rule for feedlots and manure storage areas. Cost estimates must incorporate current dollar values at the time of estimate and any additional costs required by the commissioner to oversee and hire a third party to implement the closure requirements. The applicant must not incorporate the estimated salvage or market value of manure, animals, structures, equipment, land, or other assets. The commissioner must evaluate and may modify the applicant's cost estimates and may consult individuals with documented experience in feedlot or manure storage area closure or remediation. The applicant must pay all costs incurred by the commissioner to obtain this consultation.

Sec. 65. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 7g. **Abandoned manure storage areas.** At least annually, the commissioner must compile a list of abandoned manure storage areas in this state. A list compiled under this subdivision is not a feedlot inventory for purposes of subdivision 7b. For purposes of this subdivision, "abandoned manure storage areas" means solid and liquid manure storage areas that have:

(1) been previously registered with the state as a feedlot with a manure storage area; and

(2) permanently ceased operation and are subject to, but not in compliance with, the closure requirements established by the commissioner in rule for feedlots and manure storage areas; or

(3) been unused for at least three years.

Sec. 66. **[116.076] ENVIRONMENTAL JUSTICE AREAS; BOUNDARIES; MAPS.**

(a) No later than December 1, 2022, the commissioner must determine the boundaries of all environmental justice areas in Minnesota. The determination of the geographic boundaries of an environmental justice area may be appealed by filing a petition that contains evidence to support amending the commissioner's determination. The petition must be signed by at least 100 residents of census tracts within or adjacent to the environmental justice area, as determined by the commissioner. The commissioner may, after reviewing the petition, amend the boundaries of an environmental justice area.

(b) The commissioner must post updated maps of each environmental justice area in the state on the agency website.

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

Sec. 67. Minnesota Statutes 2020, section 116C.03, subdivision 2a, is amended to read:

Subd. 2a. **Public members.** The membership terms, compensation, removal, and filling of vacancies of public members of the board shall be as provided in section 15.0575, except that a public member may be compensated at the rate of up to $125 a day.

Sec. 68. Minnesota Statutes 2020, section 116D.04, is amended by adding a subdivision to read:

Subd. 2c. **Demographic analysis.** An environmental assessment worksheet and environmental impact statement that indicate that a proposed project increases pollution levels or the toxicity of emissions in an environmental justice area, as defined under section 116.06, must contain a demographic analysis of the population exposed to the proposed project's impacts as required under section 116.07, subdivision 4m.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to an environmental assessment worksheet that has been determined by a responsible governmental unit to be complete on or after that date and to an environmental impact statement determined by a responsible governmental unit to be adequate on or after that date.

Sec. 69. Minnesota Statutes 2020, section 116P.05, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of 17 members is created in the legislative branch, consisting of the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker.

(b) At least two members from the senate and two members from the house of representatives must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

(c) Seven citizens are members of the commission, five appointed by the governor, one appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;

(2) have strong knowledge in the state's environment and natural resource issues around the state; and

(3) have demonstrated ability to work in a collaborative environment.

(d) Members shall develop procedures to elect a chair that rotates between legislative and citizen members each meeting. A citizen member, a senate member, and a house of representatives member shall serve as chairs. The citizen members, senate members, and house of representatives members must select their respective chairs. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(e) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Appointed citizen members shall serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.

(f) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraphs (a) to (c).

(g) Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3, except that a citizen member may be compensated at the rate of up to $125 a day.

(h) The governor's appointments are subject to the advice and consent of the senate.

Sec. 70. Minnesota Statutes 2020, section 171.07, is amended by adding a subdivision to read:

Subd. 20. **Watercraft operator's permit.** (a) The department must maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner of natural resources has issued a watercraft operator's permit. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received a watercraft operator's permit, the department must include on all drivers' licenses or Minnesota identification cards subsequently issued to the person a graphic or written indication that the person has received the permit.

(c) If a person who has received a watercraft operator's permit applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and must then follow the procedures in paragraph (b).

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 71. Minnesota Statutes 2020, section 282.08, is amended to read:

282.08 APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.

The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale of products from the forfeited land, must be apportioned by the county auditor to the taxing districts interested in the land, as follows:

(1) the portion required to pay any amounts included in the appraised value under section 282.01, subdivision 3, as representing increased value due to any public improvement made after forfeiture of the parcel to the state, but not exceeding the amount certified by the appropriate governmental authority must be apportioned to the governmental subdivision entitled to it;

(2) the portion required to pay any amount included in the appraised value under section 282.019, subdivision 5, representing increased value due to response actions taken after forfeiture of the parcel to the state, but not exceeding the amount of expenses certified by the Pollution Control Agency or the commissioner of agriculture, must be apportioned to the agency or the commissioner of agriculture and deposited in the fund from which the expenses were paid;

(3) the portion of the remainder required to discharge any special assessment chargeable against the parcel for drainage or other purpose whether due or deferred at the time of forfeiture, must be apportioned to the governmental subdivision entitled to it; and

(4) any balance must be apportioned as follows:

(i) The county board may annually by resolution set aside no more than 30 percent of the receipts remaining to be used for forest development on tax-forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It must be expended only on projects improving the health and management of the forest resource.

(ii) The county board may annually by resolution set aside no more than 20 percent of the receipts remaining to be used for the acquisition and maintenance of county parks or recreational areas as defined in sections 398.31 to 398.36, to be expended under the supervision of the county board.

(iii) The county board may by resolution set aside up to 100 percent of the receipts remaining to be used:

(1) according to section 282.09, subdivision 2;

(2) for remediating contamination at tax-forfeited properties; or

(3) for correcting blighted conditions at tax-forfeited properties.

An election made under this item is effective for a minimum of five years, unless the county board specifies a shorter duration.

(iv) Any balance remaining must be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent, provided, however, that in unorganized territory that portion which would have accrued to the township must be administered by the county board of commissioners.

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

Sec. 72. Minnesota Statutes 2020, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) Starting after July 1, 2017, the commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair parts in that month. For the remittances between July 1, 2017, and June 30, 2019, the monthly deposit amount is $2,628,000. For remittances in each subsequent fiscal year, the monthly deposit amount is $12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) ~~72.43~~ 97 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(k) The revenues deposited under paragraphs (a) to (j) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 73. **[325E.3892] LEAD AND CADMIUM IN CONSUMER PRODUCTS; PROHIBITION.**

Subdivision 1. **Definitions.** For purposes of this section, "covered product" means any of the following products or product components:

(1) jewelry;

(2) toys;

(3) cosmetics and personal care products;

(4) puzzles, board games, card games, and similar games;

(5) play sets and play structures;

(6) outdoor games;

(7) school supplies;

(8) pots and pans;

(9) cups, bowls, and other food containers;

(10) craft supplies and jewelry-making supplies;

(11) chalk, crayons, paints, and other art supplies;

(12) fidget spinners;

(13) costumes, costume accessories, and children's and seasonal party supplies;

(14) keys, key chains, and key rings; and

(15) clothing, footwear, headwear, and accessories.

Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

(1) lead at more than 0.009 percent by total weight (90 parts per million); or

(2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to covered products containing lead or cadmium, or both, when regulation is preempted by federal law.

Subd. 3. **Enforcement.** The commissioners of the Pollution Control Agency, commerce, and health may coordinate in enforcing this section. The commissioner of the Pollution Control Agency or commerce may, with the attorney general, enforce any federal restrictions on the sale of products containing lead or cadmium, or both, as allowed under federal law. The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner of commerce may enforce this section under section 45.027, subdivisions 1 to 6, 325F.10 to 325F.12, and 325F.14 to 325F.16. The attorney general may enforce this section under section 8.31.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 74. Minnesota Statutes 2020, section 394.36, subdivision 4, is amended to read:

Subd. 4. **Nonconformities; certain classes of property.** This subdivision applies to homestead and nonhomestead residential real estate and seasonal residential real estate occupied for recreational purposes. Except as otherwise provided by law, a nonconformity, including the lawful use or occupation of land or premises existing at the time of the adoption of an official control under this chapter, may be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion. If the nonconformity or occupancy is discontinued for a period of more than one year, or any nonconforming building or structure is destroyed by fire or other peril to the extent of greater than 50 percent of its estimated market value, as indicated in the records of the county assessor at the time of damage, and no building permit has been applied for within 180 days of when the property is damaged, any subsequent use or occupancy of the land or premises must be a conforming use or occupancy. If a nonconforming building or structure is destroyed by fire or other peril to the extent of greater than 50 percent of its estimated market value, as indicated in the records of the county assessor at the time of damage, the board may impose reasonable conditions upon a zoning or building permit in order to mitigate any newly created impact on adjacent property or water body. When a nonconforming structure in the shoreland district with less than 50 percent of the required setback from the water is destroyed by fire or other peril to greater than 50 percent of its estimated market value, as indicated in the records of the county assessor at the time of damage, the structure setback may be increased if practicable and reasonable conditions are placed upon a zoning or building permit to mitigate created impacts on the adjacent property or water body. A county may, by ordinance, permit an expansion or impose upon nonconformities reasonable regulations to prevent and abate nuisances and to protect the public health, welfare, or safety.

Sec. 75. Minnesota Statutes 2020, section 473.121, is amended by adding a subdivision to read:

Subd. 37. **Community water system.** "Community water system" has the meaning given in United States Code, title 42, section 300f(15).

Sec. 76. Minnesota Statutes 2020, section 473.121, is amended by adding a subdivision to read:

Subd. 38. **Lead service line.** "Lead service line" means a water supply connection that is made of or lined with a material consisting of lead and that connects a water main to a building. A lead pigtail, lead gooseneck, or other lead fitting is considered a lead service line, regardless of the composition of the service line or other portions of piping to which the piece is attached. A galvanized service line is considered a lead service line.

Sec. 77. Minnesota Statutes 2020, section 473.121, is amended by adding a subdivision to read:

Subd. 39. **Service line.** "Service line" means any piping, tubing, or fitting connecting a water main to a building. Service line includes the property owner side and the system side of a service line.

Sec. 78. Minnesota Statutes 2020, section 473.121, is amended by adding a subdivision to read:

Subd. 40. **System side.** "System side" means the portion of a service line that is owned by a community water system.

Sec. 79. **PERSON WITH A DISABILITY; RULEMAKING.**

(a) The commissioner of natural resources must amend Minnesota Rules, part 6230.0250, subpart 10, item A, subitem (2), by changing the word "hunter" to "person."

(b) The commissioner may use the good-cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 80. **COMMUNITY AIR MONITORING SYSTEM PILOT GRANT PROGRAM.**

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

(b) "Agency" means the Minnesota Pollution Control Agency.

(c) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(d) "Community air monitoring system" means a system of devices monitoring ambient air quality at many locations within a small geographic area that is subject to air pollution from a variety of stationary and mobile sources in order to obtain frequent measurements of pollution levels, to detect differences in exposure to pollution over distances no larger than a city block, and to identify areas where pollution levels are inordinately elevated.

(e) "Environmental justice area" has the meaning given in Minnesota Statutes, section 116.06, subdivision 10b.

(f) "Nonprofit organization" means an organization that is exempt from taxation under section 501(c)(3) of the Internal revenue Code.

Subd. 2. **Establishment of program.** A community air monitoring system pilot grant program is established in the Pollution Control Agency to measure air pollution levels at many locations within an environmental justice area in Minneapolis.

Subd. 3. **Eligible applicants.** Grants under this section may be awarded to applicants consisting of a partnership between a nonprofit organization located in an environmental justice area in which the community air monitoring system is to be deployed and an entity that has experience deploying, operating, and interpreting data from air monitoring systems.

Subd. 4. **Eligible projects.** Grants may be awarded under this section to applicants whose proposals:

(1) use a variety of air monitoring technologies approved for use by the commissioner, including but not limited to stationary monitors, sensor-based handheld devices, and mobile devices that can be attached to vehicles or drones to measure air pollution levels;

(2) obtain data at fixed locations and from handheld monitoring devices that are carried by residents of the community on designated walking routes in the targeted community and that can provide high-frequency measurements; and

(3) use the monitoring data to generate maps of pollution levels throughout the monitored area.

Subd. 5. **Eligible expenditures.** Grants may be used only for the following activities:

(1) planning the configuration and deployment of the community air monitoring system;

(2) purchasing and installing air monitoring devices as part of the community air monitoring system;

(3) training and paying persons who operate stationary, handheld, and mobile devices to measure air pollution;

(4) developing data and mapping systems to analyze, organize, and present the air monitoring data collected; and

(5) writing a final report on the project according to subdivision 9.

Subd. 6. **Air monitoring technologies; commissioner approval.** The commissioner must approve air monitoring technologies proposed to be used in a project awarded a grant under this section. Approved air monitoring technologies must meet a reasonable level of accuracy and consistency.

Subd. 7. **Application and grant award process.** An eligible applicant must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner must develop administrative procedures governing the application and grant award process. The commissioner must act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this section.

Subd. 8. **Grant awards; priorities.** In awarding grants under this section, the commissioner must give priority to proposed projects that:

(1) take place in areas with high rates of illness associated with exposure to air pollution, including asthma, chronic obstructive pulmonary disease, heart disease, chronic bronchitis, and cancer;

(2) promote public access to and transparency of air monitoring data developed through the project; and

(3) conduct outreach activities to promote community awareness of and engagement with the project.

Subd. 9. **Report to agency.** No later than 90 days after a project ends, the grantee must submit a written report to the commissioner describing the project's findings and results, and any recommendations for agency actions, programs, or activities to reduce levels of air pollution measured by the community air monitoring system. The grantee must also forward to the commissioner all air monitoring data developed by the project.

Subd. 10. **Report to legislature.** No later than January 15, 2024, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment policy and finance on the results of the grant program, including:

(1) any changes in the agency's air monitoring network that will occur as a result of data developed under the program;

(2) any actions the agency has taken or proposes to take to reduce levels of pollution that impact the environmental justice areas that received grants under the program; and

(3) any recommendations for legislation, including whether the program should be extended or expanded.

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

Sec. 81. **RULEMAKING; AIR TOXICS EMISSIONS.**

Subdivision 1. **Definitions.** For the purposes of this section:

(1) "agency" means the Minnesota Pollution Control Agency;

(2) "air toxic" has the meaning given under section 116.062;

(3) "commissioner" has the meaning given in Minnesota Statutes, section 116.06, subdivision 6a;

(4) "continuous emission monitoring system" has the meaning given in Minnesota Rules, part 7017.1002, subpart 4;

(5) "environmental justice area" has the meaning given in Minnesota Statutes, section 116.06, subdivision 10b;

(6) "performance test" has the meaning given in Minnesota Rules, part 7017.2005, subpart 4; and

(7) "volatile organic compound" means any compound of carbon that participates in atmospheric photochemical reactions, except for carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.

Subd. 2. **Rulemaking required.** No later than January 15, 2023, the commissioner of the Pollution Control Agency must initiate rulemaking under Minnesota Statutes, chapter 14, to regulate air toxics emissions by providing notice of a rulemaking hearing according to Minnesota Statutes, section 14.14, subdivision 1a.

Subd. 3. **Content of rules.** (a) The rules required under subdivision 2 must address, at a minimum, the following issues:

(1) the specific air toxics to be regulated, including, at a minimum, those defined in section 116.062;

(2) the types of facilities to be regulated, including, at a minimum, facilities that have been issued an air quality permit by the commissioner and:

(i) emit air toxics, whether or not the emissions are limited in a permit; or

(ii) purchase or use material containing volatile organic compounds;

(3) performance tests conducted by facilities to measure the volume of air toxics emissions and testing methods, procedures, protocols, and frequency;

(4) required air monitoring, including using continuous emission monitoring systems for certain facilities;

(5) requirements for reporting information to the agency to assist the agency in determining the volume of the facility's air toxics emissions and the facility's compliance with emission limits in the facility's permit;

(6) record keeping related to air toxics emissions; and

(7) frequency of facility inspections and inspection activities that provide information about air toxics emissions.

(b) In developing rules, the commissioner must establish testing, monitoring, reporting, record-keeping, and inspection requirements for facilities that reflect:

(1) the different risks to human health and the environment posed by the specific air toxics and volumes emitted by a facility, such that facilities posing greater risks are required to more frequently conduct performance tests and air monitoring, receive inspections, and report to the agency;

(2) the facility's record of compliance with air toxics emission limits and other permit conditions; and

(3) any exposure of residents of an environmental justice area to the facility's air toxics emissions.

(c) The rules developed under this section must specify that the commissioner, in developing air toxics emission limits for a specific facility, must consider the additive nature of risk posed by exposure to all the air toxics emitted by the facility.

Subd. 4. **Modifying permits.** After adopting the rules required in subdivision 2, the commissioner must incorporate air toxics emission limits to conform with the rule changes in existing air quality permits that:

(1) contain emission limits for air toxics; or

(2) do not contain emission limits for air toxics but are held by facilities that emit air toxics.

Subd. 5. **Relation to federal law.** The commissioner must implement this section consistent with federal law and to the fullest extent allowed by federal law. Nothing in this section may be construed to conflict with federal law.

Subd. 6. **Rulemaking cost.** The commissioner must collect the agency's costs to adopt rules required under this section and to conduct regulatory activities required as a result of the adopted rules through the annual fee paid by owners or operators of facilities required to obtain air quality permits from the agency, as required under Minnesota Statutes, section 116.07, subdivision 4d, paragraph (b).

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

Sec. 82. **PIG'S EYE LANDFILL TASK FORCE.**

Subdivision 1. **Pig's Eye Landfill Task Force.** The commissioner of the Pollution Control Agency must establish a Pig's Eye Landfill Task Force to coordinate efforts to remediate and restore the Pig's Eye Landfill Superfund site and address perfluoroalkyl and polyfluoroalkyl substances (PFAS) contamination of Battle Creek, Pig's Eye Lake, and nearby groundwater. The task force is subject to Minnesota Statutes, section 15.059, subdivision 6.

Subd. 2. **Membership.** The task force must consist of:

(1) the commissioner of the Pollution Control Agency;

(2) the commissioner of natural resources;

(3) the commissioner of health;

(4) a representative from the Metropolitan Council;

(5) a representative from the United States Army Corps of Engineers;

(6) a representative from the United States Coast Guard;

(7) a representative from the federal Environmental Protection Agency;

(8) a representative from the National Park Service;

(9) a representative from the Ramsey-Washington Metro Watershed District; and

(10) one representative from each of the following impacted local governments:

(i) St. Paul;

(ii) South St. Paul;

(iii) Ramsey County; and

(iv) Dakota County.

Subd. 3. **Organization.** (a) By October 15, 2022, the commissioner or the commissioner's designee must convene the first meeting of the task force.

(b) The task force must meet monthly or as determined by the chair. Meetings of the task force must be open to the public.

(c) The members of the task force must annually elect a chair, vice chair, and other officers as the members deem necessary.

Subd. 4. **Staff.** The commissioner must provide support staff, office space, and administrative services for the task force.

Subd. 5. **Reports.** By February 15 each year, the commissioner must submit an annual report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources on the status of the task force's work. The final report, due February 15, 2026, must:

(1) summarize the history of the Pig's Eye Landfill, including cleanup efforts and impacts;

(2) include a coordinated plan to:

(i) cleanup and remediate the brownfield site;

(ii) restore and enhance wildlife habitat;

(iii) prevent future water contamination; and

(iv) address existing water quality issues;

(3) identify infrastructure needs;

(4) identify potential funding sources; and

(5) include any recommendations for legislative action.

Subd. 6. **Sunset.** The task force expires June 30, 2026.

Sec. 83. **TURTLE SELLER'S LICENSES; TRANSFER AND RENEWAL.**

The commissioner of natural resources must not renew or transfer a turtle seller's license after the effective date of this section.

Sec. 84. **SEED DISPOSAL RULEMAKING REQUIRED.**

The commissioner of the Pollution Control Agency, in consultation with the commissioner of agriculture and the University of Minnesota, must adopt rules under Minnesota Statutes, chapter 14, providing for the safe and lawful disposal of unwanted or unused seed treated with neonicotinoid pesticide. The rules must clearly identify the regulatory jurisdiction of state agencies and local governments with regard to such seed.

Sec. 85. **DESIGNATED SWAN RESTING AREAS.**

Subdivision 1. **Swan resting areas.** The commissioner of natural resources may designate waters within Minnesota's swan migration corridor as swan resting areas.

Subd. 2. **Public notice and meeting.** (a) Before the commissioner designates or removes a designation of a swan resting area, public comment must be received and a public meeting must be held in the county where the largest portion of the water is located.

(b) At least 90 days before the public meeting, notice of the proposed designation or removal of the designation must be posted at publicly maintained access points on the water.

(c) Before the public meeting, notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed swan resting area is located. The notice must be published at least once between 30 and 60 days before the meeting and at least once between seven and 30 days before the meeting.

(d) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for receiving public comments. The commissioner must send each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner must consider any public comments received in making a final decision.

Subd. 3. **Using lead sinkers.** A person may not use lead sinkers on a water designated by the commissioner as a swan resting area under subdivision 1. The commissioner must maintain a list of swan resting areas and information on the lead sinker restrictions on the department's website and in any summary of fishing regulations required under Minnesota Statutes, section 97A.051.

Subd. 4. **Report.** By January 15, 2025, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources on the implementation of this section and any recommendations.

Subd. 5. **Sunset.** This section expires January 1, 2026.

Sec. 86. **SWAN RESTITUTION VALUES; RULE AMENDMENTS.**

(a) The commissioner of natural resources must amend Minnesota Rules, part 6133.0030, to increase the restitution value of a tundra swan from $200 to $1,000 and the restitution value of a trumpeter swan from $1,000 to $2,500.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 87. **MANURE STORAGE AREA REPORTS REQUIRED.**

(a) No later than December 15, 2022, the commissioner of the Pollution Control Agency must develop a list based on registration data for each county of potentially abandoned manure storage areas.

(b) No later than January 15, 2024, each delegated county must report to the commissioner of the Pollution Control Agency a list of abandoned manure storage areas located in the county. The report must be submitted by the county feedlot officer.

(c) No later than January 15, 2024, the Pollution Control Agency regional feedlot staff must compile a list of abandoned manure storage areas located in counties under their regulatory jurisdiction that do not have delegation agreements with the agency.

(d) No later than February 15, 2024, the commissioner of the Pollution Control Agency must submit a compilation report and list of abandoned manure storage areas to the legislative committees with jurisdiction over agriculture and environment. The report must include recommendations for remediation. The commissioner must seek advice from the Minnesota Association of County Feedlot Officers and livestock associations for recommendations, including existing and any proposed options for remediation.

(e) For purposes of this section, "abandoned manure storage areas" has the meaning given in Minnesota Statutes, section 116.07, subdivision 7g.

(f) Reports and lists required under this section are not feedlot inventories for purposes of Minnesota Statutes, section 116.07, subdivision 7b.

Sec. 88. **PETROLEUM TANK RELEASE CLEANUP; REPORT TO LEGISLATURE.**

The commissioner of the Pollution Control Agency must perform the duties under clauses (1) to (5) with respect to the petroleum tank release cleanup program governed by Minnesota Statutes, chapter 115C, and must, no later than January 15, 2023, report the results to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and finance. The report must include any recommendations for legislation. The commissioner must:

(1) explicitly define the conditions that must be present in order for the commissioner to classify a site as posing a low potential risk to public health and the environment and ensure that all agency staff use the definition in assessing potential risks. In determining the conditions that indicate that a site poses a low risk, the commissioner

must consider the biodegradable nature of the petroleum contaminants found at the site and relevant site conditions, including but not limited to the nature of groundwater flow, soil type, and proximity of features at or near the site that could potentially become contaminated;

(2) develop guidelines to incorporate consideration of potential future uses of a contaminated property into all agency staff decisions regarding site remediation;

(3) develop measurable objectives that allow the quality of the agency's performance in remediating petroleum-contaminated properties to be evaluated and conduct such evaluations periodically;

(4) in collaboration with the Petroleum Tank Release Compensation Board and the commissioner of commerce, examine whether and how to establish technical qualifications for consultants hired to remediate petroleum-contaminated properties as a strategy to improve the quality of remediation work, and how agencies can share information on consultant performance; and

(5) in collaboration with the commissioner of commerce, make consultants who remediate petroleum-contaminated sites more accountable for the quality of their work by:

(i) developing a formal system of measures and procedures by which to evaluate the work; and

(ii) sharing evaluations with the commissioner of commerce and with responsible parties.

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

Sec. 89. **CARPET STEWARDSHIP PROGRAM; REPORT.**

Subdivision 1. **Carpet stewardship program plan.** The commissioner of the Pollution Control Agency must develop a plan for establishing a carpet stewardship program designed to reduce carpet-related waste generation by promoting the collection and recycling of discarded carpet. The plan must include:

(1) an organizational structure for the program, including roles for the state, carpet producers, retailers, collection site operators, and recyclers;

(2) a timeline for implementing the program;

(3) a fee structure that ensures the costs of the program are recovered, including recommendations for determining the amount, methods of collecting the fee, and how fee revenues will be managed;

(4) a plan for how discarded carpet will be collected and transported to recyclers in this state;

(5) strategies for improving education and training of retailers, carpet installers, and collection site operators to improve the recycling rates of carpet; and

(6) draft legislation necessary for implementing the plan.

Subd. 2. **Task force; public engagement.** (a) The commissioner must convene a task force to assist with developing the plan required under subdivision 1. The task force must include:

(1) one representative of a statewide association representing retailers;

(2) two representatives of producers;

(3) two representatives of recyclers;

(4) one representative of statewide associations representing waste disposal companies;

(5) one representative of an environmental organization;

(6) one representative of county or municipal waste management programs;

(7) two representatives of companies that use discarded carpet to manufacture products other than new carpet;

(8) one representative of carpet installers; and

(9) two members of the general public.

(b) Members of the task force must not be registered lobbyists.

(c) The commissioner must provide opportunities for the public to provide input on the program.

Subd. 3. **Report.** The commissioner must submit a report with the plan required under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment by January 15, 2023.

Sec. 90. **REPEALER.**

(a) Minnesota Statutes 2020, section 97C.605, subdivisions 2, 2a, 2b, and 5, and Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, and 8, are repealed.

(b) Minnesota Statutes 2020, sections 325E.389; and 325E.3891, are repealed.

(c) Minnesota Statutes 2020, sections 86B.101; 86B.305; and 86B.313, subdivisions 2 and 3, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective July 1, 2023. Paragraph (c) is effective July 1, 2024.

ARTICLE 3
FARMED CERVIDAE

Section 1. Minnesota Statutes 2020, section 13.643, subdivision 6, is amended to read:

Subd. 6. **Animal premises data.** (a) Except for farmed Cervidae premises location data collected and maintained under section 35.155, the following data collected and maintained by the Board of Animal Health related to registration and identification of premises and animals under chapter 35, are classified as private or nonpublic:

(1) the names and addresses;

(2) the location of the premises where animals are kept; and

(3) the identification number of the premises or the animal.

(b) Except as provided in section 347.58, subdivision 5, data collected and maintained by the Board of Animal Health under sections 347.57 to 347.64 are classified as private or nonpublic.

(c) The Board of Animal Health may disclose data collected under paragraph (a) or (b) to any person, agency, or to the public if the board determines that the access will aid in the law enforcement process or the protection of public or animal health or safety.

Sec. 2. Minnesota Statutes 2020, section 35.155, subdivision 1, is amended to read:

Subdivision 1. **Running at large prohibited.** (a) An owner may not allow farmed Cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed Cervidae to their enclosures as soon as possible. The owner must immediately notify the commissioner of natural resources of the escape of farmed Cervidae if the farmed Cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed Cervidae that have left their enclosures if the person capturing the farmed Cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed Cervidae, the commissioner of natural resources may destroy the escaped farmed Cervidae. The commissioner of natural resources must allow the owner to attempt to capture the escaped farmed Cervidae prior to destroying the farmed Cervidae. Farmed Cervidae that are not captured by 24 hours after escape may be destroyed.

(d) A hunter licensed by the commissioner of natural resources under chapter 97A may kill and possess escaped farmed Cervidae in a lawful manner and is not liable to the owner for the loss of the animal.

(e) Escaped farmed Cervidae killed by a hunter or destroyed by the commissioner of natural resources must be tested for chronic wasting disease at the owner's expense.

(f) The owner is responsible for proper disposal, as determined by the board, of farmed Cervidae that are killed or destroyed under this subdivision and test positive for chronic wasting disease.

(g) An owner is liable for any additional costs associated with escaped farmed Cervidae that are infected with chronic wasting disease, including the cost of additional surveillance and capture caused by the escape. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

EFFECTIVE DATE. This section is effective September 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. Except as provided in subdivision 4a, all perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae ~~or,~~ entry into the premises by free-roaming Cervidae, and physical contact between farmed Cervidae and free-roaming Cervidae. ~~After July 1, 2019,~~ All new fencing installed and all fencing used to repair deficiencies must be high tensile. ~~By December 1, 2019,~~ All entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must repair the deficiency within ~~a reasonable time, as determined by the Board of Animal Health, not to exceed 45~~ 14 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.

EFFECTIVE DATE. This section is effective September 1, 2023.

Sec. 4. Minnesota Statutes 2020, section 35.155, is amended by adding a subdivision to read:

Subd. 4a. **Fencing; commercial herds.** In addition to the requirements in subdivision 4, commercially farmed white-tailed deer must be confined by two or more perimeter fences, with each perimeter fence at least 120 inches in height.

EFFECTIVE DATE. This section is effective September 1, 2023.

Sec. 5. Minnesota Statutes 2020, section 35.155, subdivision 6, is amended to read:

Subd. 6. **Identification.** (a) Farmed Cervidae must be identified by means approved by the Board of Animal Health. The identification must include a distinct number that has not been used during the previous three years and must be visible to the naked eye during daylight under normal conditions at a distance of 50 yards. Within 14 days of birth, white-tailed deer must be identified ~~before October 31 of the year in which the animal is born, at the time of weaning, or before movement from the premises, whichever occurs first~~ with an ear tag that adheres to the National Uniform Ear-Tagging System (NUES) or the Animal Identification Number (AIN) system. Elk and other cervids must be identified by December 31 of the year in which the animal is born or before movement from the premises, whichever occurs first. As coordinated by the board, the commissioner of natural resources may destroy any animal that is not identified as required under this subdivision.

(b) The Board of Animal Health shall register farmed Cervidae. The owner must submit the registration request on forms provided by the board. The forms must include sales receipts or other documentation of the origin of the Cervidae. The board must provide copies of the registration information to the commissioner of natural resources upon request. The owner must keep written records of the acquisition and disposition of registered farmed Cervidae.

EFFECTIVE DATE. This section is effective September 1, 2023.

Sec. 6. Minnesota Statutes 2020, section 35.155, subdivision 10, is amended to read:

Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed Cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

(b) A person whose registration is revoked by the board is ineligible for future registration under this section unless the board determines that the person has undertaken measures that make future escapes extremely unlikely.

(c) The board must not allow new registrations under this section for possessing white-tailed deer. This paragraph does not prohibit a person holding a valid registration under this subdivision from selling or transferring the person's registration to a family member who resides in this state and is related to the person within the third degree of kindred according to the rules of civil law. A valid registration may be sold or transferred only once under this paragraph. Before the board approves a sale or transfer under this paragraph, the board must verify that the herd is free from chronic wasting disease and the person or eligible family member must pay a onetime transfer fee of $500 to the board.

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

Sec. 7. Minnesota Statutes 2021 Supplement, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health. A person must not move farmed white-tailed deer from any premises to another location.

(c) All animals from farmed Cervidae herds that are over ~~12~~ six months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) The owner of a premises where chronic wasting disease is detected must:

(1) allow and cooperate with inspections of the premises as determined by the Board of Animal Health and Department of Natural Resources conservation officers and wildlife managers;

~~(1)~~ (2) depopulate the premises of Cervidae after the federal indemnification process has been completed or, if an indemnification application is not submitted, within ~~a reasonable time determined by the board in consultation with the commissioner of natural resources~~ 30 days;

~~(2)~~ (3) maintain the fencing required under ~~subdivision~~ subdivisions 4 and 4a on the premises for ~~five~~ ten years after the date of detection; ~~and~~

~~(3)~~ (4) post the fencing on the premises with biohazard signs as directed by the board~~.~~;

(5) not raise farmed Cervidae on the premises for at least ten years;

(6) before any sale or transfer of the premises, test the soil for evidence of chronic wasting disease using a method approved by the board and report the results to the board; and

(7) record with the county recorder or registrar of titles a notice, in the form required by the board, that includes the location and legal description of the premises, the date of detection, the date of depopulation, the landowner requirements under this paragraph, and any other information required by the board.

(e) An owner of farmed Cervidae that test positive for chronic wasting disease is responsible for proper disposal of the animals, as determined by the board.

Sec. 8. Minnesota Statutes 2020, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae or Cervidae semen into the state from a herd that is:

(1) infected with or has been exposed to chronic wasting disease; or

(2) from a ~~known~~ state or province where chronic wasting disease ~~endemic area, as determined by the board~~ is present in farmed or wild Cervidae populations.

(b) A person may import live Cervidae or Cervidae semen into the state only from a herd that:

(1) is not ~~in a known~~ located in a state or province where chronic wasting disease ~~endemic area, as determined by the board,~~ is present in farmed or wild Cervidae populations; and ~~the herd~~

(2) has been subject to a ~~state or provincial approved~~ state- or provincial-approved chronic wasting disease monitoring program for at least three years.

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

Sec. 9. **WHITE-TAILED DEER TESTING REQUIRED; CHRONIC WASTING DISEASE.**

Subdivision 1. **Live-animal testing.** No later than December 31, 2022, an owner of farmed white-tailed deer registered with the Board of Animal Health under Minnesota Statutes, section 35.155, must have each farmed white-tailed deer tested for chronic wasting disease using a real-time quaking-induced conversion (RT-QuIC) test and report the results to the Board of Animal Health in the form required by the board. If a white-tailed deer tests positive, the owner must have the animal tested a second time using an RT-QuIC test.

Subd. 2. **Postmortem testing.** If a farmed white-tailed deer tests positive twice under subdivision 1, the owner must have the animal destroyed and tested for chronic wasting disease using a postmortem test approved by the Board of Animal Health.

Subd. 3. **Herd depopulation.** If a farmed white-tailed deer tests positive for chronic wasting disease under subdivision 2, the owner must depopulate the premises of farmed Cervidae as required under Minnesota Statutes, section 35.155.

Sec. 10. **TRANSFER OF DUTIES; FARMED CERVIDAE.**

(a) Except as provided in paragraph (b), the responsibilities for administering and enforcing the statutes and rules listed in clauses (1) and (2) are transferred pursuant to Minnesota Statutes, section 15.039, from the Board of Animal Health to the commissioner of natural resources:

(1) Minnesota Statutes, sections 35.153 and 35.155; and

(2) Minnesota Rules, parts 1721.0370 to 1721.0420.

(b) Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, the transfer of personnel will not take place. The commissioner of natural resources may contract with the Board of Animal Health for any veterinary services required to administer this program.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 11. **REVISOR INSTRUCTION.**

The revisor of statutes must recodify the relevant sections in Minnesota Statutes, chapter 35, and Minnesota Rules, chapter 1721, as necessary to conform with section 10. The revisor must also change the responsible agency, remove obsolete language, and make necessary cross-reference changes consistent with section 10 and the renumbering.

ARTICLE 4
POLLUTION CONTROL; PFAS

Section 1. **[116.943] PFAS IN CARPETS AND TEXTILES.**

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

(1) "carpet or rug" means a fabric marketed or intended for use as a floor covering;

(2) "fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance;

(3) "perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means substances that include any member of the class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom;

(4) "upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material;

(5) "textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, nylon, and polyester; and

(6) "textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, beddings, towels, and tablecloths.

Subd. 2. **Prohibition.** (a) A person must not manufacture, sell, offer to sell, or distribute for sale in the state any of the following that contains perfluoroalkyl and polyfluoroalkyl substances:

(1) a carpet or rug;

(2) a fabric treatment;

(3) upholstered furniture; or

(4) textile furnishings.

(b) This subdivision does not apply to sale or resale of used products.

Subd. 3. **Enforcement.** (a) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner of the Pollution Control Agency, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

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

Sec. 2. **[116.944] PFAS IN COOKWARE.**

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

(1) "cookware" means durable houseware items that are used in homes and restaurants to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils; and

(2) "perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means substances that include any member of the class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

Subd. 2. **Prohibition.** (a) A person must not manufacture, distribute, sell, or offer for sale in the state any cookware that contains perfluoroalkyl and polyfluoroalkyl substances.

(b) This subdivision does not apply to the sale or resale of used products.

Subd. 3. **Enforcement.** (a) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner of the Pollution Control Agency, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

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

Sec. 3. **[116.945] PFAS IN COSMETICS.**

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

(1) "cosmetic product" means an article intended to be applied to the human body for cleansing, beautifying, promoting attractiveness, or altering appearance. Cosmetic product does not include a product for which a prescription is required for distribution or dispensing; and

(2) "perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means substances that include any member of the class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

Subd. 2. **Prohibition.** A person must not manufacture, distribute, sell, or offer for sale in the state any cosmetic product that contains perfluoroalkyl and polyfluoroalkyl substances.

Subd. 3. **Enforcement.** (a) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner of the Pollution Control Agency, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

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

Sec. 4. **[116.946] PFAS IN JUVENILE PRODUCTS.**

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

(1) "adult mattress" means a mattress other than a crib mattress or toddler mattress;

(2) "juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(i) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress; and

(ii) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; a medical device; or an adult mattress;

(3) "medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h); and

(4) "perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means substances that include any member of the class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

Subd. 2. **Prohibition.** (a) A person must not manufacture, sell, offer for sale, or distribute in commerce in the state any new juvenile product that contains perfluoroalkyl and polyfluoroalkyl substances.

(b) This subdivision does not apply to sale or resale of used juvenile products.

Subd. 3. **Enforcement.** (a) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner of the Pollution Control Agency, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

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

Sec. 5. **[116.947] PFAS IN SKI WAX.**

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

(1) "perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means substances that include any member of the class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom; and

(2) "ski wax" means a lubricant applied to the bottom of snow runners, including skis and snowboards, to improve their grip and glide properties.

Subd. 2. **Prohibition.** (a) A person must not manufacture, distribute, sell, or offer for sale in the state ski wax or a related tuning product that contains perfluoroalkyl and polyfluoroalkyl substances.

(b) This subdivision does not apply to the sale or resale of used products.

Subd. 3. **Enforcement.** (a) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner of the Pollution Control Agency, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

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

Sec. 6. **[116.948] DISCLOSURE OF PFAS IN PRODUCTS.**

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

(1) "commissioner" means the commissioner of the Pollution Control Agency;

(2) "intentionally added PFAS" means PFAS that a manufacturer intentionally adds to a product and that have a functional or technical effect in the product, including the PFAS components of intentionally added chemicals and PFAS that are intentional breakdown products of an added chemical that also have a functional or technical effect in the product;

(3) "manufacturer" means the person that manufactures a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States;

(4) "perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means substances that include any member of the class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom;

(5) "product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including the product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products. Product does not mean used products offered for sale or resale; and

(6) "product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

Subd. 2. **Notice required.** (a) Except as provided under subdivision 3 and rules adopted under subdivision 4, a manufacturer of a product for sale in the state that contains intentionally added PFAS must submit to the commissioner a written notice that includes:

(1) a brief description of the product;

(2) the function served by PFAS in the product, including in any product components;

(3) the amount of each of the PFAS, identified by its Chemical Abstracts Service Registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner;

(4) the name and address of the manufacturer and the name, address, and telephone number of a contact person for the manufacturer; and

(5) any other information, as required by rule adopted by the commissioner, necessary to implement this section.

(b) This subdivision does not apply to the sale or resale of used products.

(c) For products containing intentionally added PFAS that are sold, offered for sale, or distributed in the state as of the effective date of this subdivision, a manufacturer must submit the notice required under paragraph (a) to the commissioner before April 1, 2025. For products containing intentionally added PFAS that are first sold, offered for sale, or distributed in the state after the effective date of this subdivision, a manufacturer must submit the notice required under paragraph (a) to the commissioner no later than 30 days before the initial sale, offer for sale, or distribution of the products in the state.

Subd. 3. **Commissioner's authority.** (a) The commissioner may waive all or part of the notice requirement under subdivision 2 if the commissioner determines that substantially equivalent information is already publicly available.

(b) The commissioner may enter into an agreement with one or more other states or political subdivisions of a state to collect notices and may accept notices to a shared system as meeting the notice requirement under subdivision 2.

(c) The commissioner may extend the deadline for a manufacturer to submit the notice under subdivision 2 if the commissioner determines that more time is needed by the manufacturer to comply.

Subd. 4. **Rulemaking.** The commissioner must adopt rules to implement this section. The rules:

(1) may prioritize products subject to subdivision 2 based on the products that, in the commissioner's judgment, are most likely to cause contamination of the state's land or water resources;

(2) may allow a manufacturer to supply the notice under subdivision 2 for a category or type of product rather than for each individual product;

(3) must require a manufacturer to update and revise the information required in the notice under subdivision 2 when there is a substantive change in the information; and

(4) notwithstanding section 16A.1283, may establish a fee to be paid by a manufacturer upon submitting the notice under subdivision 2 to cover the commissioner's reasonable costs in developing rules to implement this section. The fees may be based on the volume of PFAS, volume of sales, or type of PFAS.

EFFECTIVE DATE. Subdivisions 1, 3, and 4 are effective the day following final enactment. Subdivision 2 is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2020, section 325E.046, is amended to read:

325E.046 STANDARDS FOR LABELING ~~PLASTIC~~ BAGS, FOOD OR BEVERAGE PRODUCTS, AND PACKAGING.

Subdivision 1. **~~"~~Biodegradable~~"~~ label.** A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a ~~plastic bag~~ covered product labeled "biodegradable," "degradable," "decomposable," or any form of those terms, or in any way imply that the ~~bag~~ covered product will ~~chemically decompose into innocuous elements in a reasonably short period of time in a landfill, composting, or other terrestrial environment unless a scientifically based standard for biodegradability is developed and the bags are certified as meeting the standard.~~ break down, fragment, degrade, biodegrade, or decompose in a landfill or other environment, unless an ASTM standard specification is adopted for the term claimed and the specification is approved by the legislature.

Subd. 2. **~~"~~Compostable~~"~~ label.** (a) A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a ~~plastic bag~~ covered product labeled "compostable" unless, at the time of sale or offer for sale, the ~~bag~~ covered product:

(1) meets the ASTM Standard Specification for ~~Compostable~~ Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6400)~~. Each bag must be labeled to reflect that it meets the standard. For purposes of this subdivision, "ASTM" has the meaning given in section 296A.01, subdivision 6.~~, or its successor, or the ASTM Standard Specification for Labeling of End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6868), or its successor, and the covered product is labeled to reflect that it meets the specification;

(2) is comprised of only wood without any coatings or additives; or

(3) is comprised of only paper without any coatings or additives.

(b) A covered product labeled "compostable" and meeting the criteria under paragraph (a) must be clearly and prominently labeled on the product, or on the product's smallest unit of sale, to reflect that it is intended for an industrial or commercial compost facility. The label required under this paragraph must be in a legible text size and font.

Subd. 2a. **Certification of compostable products.** Beginning January 1, 2024, a manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a covered product labeled as "compostable" unless the covered product is certified as meeting the requirements of subdivision 2 by an entity that:

(1) is a nonprofit corporation;

(2) as its primary focus of operation, promotes the production, use, and appropriate end of life for materials and products that are designed to fully biodegrade in specific biologically active environments such as industrial composting; and

(3) is technically capable of and willing to perform analysis necessary to determine a product's compliance with subdivision 2.

Subd. 3. **Enforcement; civil penalty; injunctive relief.** (a) A ~~manufacturer, distributor, or wholesaler~~ person who violates ~~subdivision 1 or 2~~ this section is subject to a civil or administrative penalty of $100 for each prepackaged saleable unit sold or offered for sale up to a maximum of $5,000 and may be enjoined from those violations.

(b) The attorney general may bring an action in the name of the state in a court of competent jurisdiction for recovery of civil penalties or for injunctive relief as provided in this subdivision. The attorney general may accept an assurance of discontinuance of acts in violation of ~~subdivision 1 or 2~~ this section in the manner provided in section 8.31, subdivision 2b.

(c) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072.

(d) When requested by the attorney general or the commissioner of the Pollution Control Agency, a person selling or offering for sale a covered product labeled as "compostable" must furnish to the attorney general or the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Subd. 4. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "ASTM" has the meaning given in section 296A.01, subdivision 6;

(2) "covered product" means a bag, food or beverage product, or packaging;

(3) "food or beverage product" means a product that is used to wrap, package, contain, serve, store, prepare, or consume a food or beverage, such as plates, bowls, cups, lids, trays, straws, utensils, and hinged or lidded containers; and

(4) "packaging" has the meaning given in section 115A.03, subdivision 22b.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 8. Minnesota Statutes 2020, section 325F.072, subdivision 1, is amended to read:

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

(b) "Class B firefighting foam" means foam designed ~~for flammable liquid fires~~ to prevent or extinguish a fire in flammable liquids, combustible liquids, petroleum greases, tars, oils, oil-based paints, solvents, lacquers, alcohols, and flammable gases.

(c) "PFAS chemicals" or "perfluoroalkyl and polyfluoroalkyl substances" means~~, for the purposes of firefighting agents,~~ a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom ~~and designed to be fully functional in class B firefighting foam formulations~~.

(d) "Political subdivision" means a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679.

(e) "State agency" means an agency as defined in section 16B.01, subdivision 2.

(f) "Testing" means calibration testing, conformance testing, and fixed system testing.

Sec. 9. Minnesota Statutes 2020, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition ~~of testing and training~~.** (a) ~~Beginning July 1, 2020,~~ No person, political subdivision, or state agency shall ~~discharge class B firefighting foam that contains intentionally added~~ manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals~~:~~.

~~(1) for testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or~~

~~(2) for training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment. For training purposes, class B foam that contains intentionally added PFAS chemicals shall not be used.~~

~~(b) This section does not restrict:~~

~~(1) the manufacture, sale, or distribution of class B firefighting foam that contains intentionally added PFAS chemicals; or~~

~~(2) the discharge or other use of class B firefighting foams that contain intentionally added PFAS chemicals in emergency firefighting or fire prevention operations.~~

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2023, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year following the day of revocation.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 10. **PFAS WATER QUALITY STANDARDS.**

The commissioner of the Pollution Control Agency must adopt rules establishing water quality standards for perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS). The commissioner must adopt the rules establishing the PFOA and PFOS water quality standards by July 1, 2025, and Minnesota Statutes, section 14.125, does not apply.

Sec. 11. **HEALTH RISK LIMIT; PERFLUOROOCTANE SULFONATE.**

By July 1, 2024, the commissioner of health must amend the health risk limit for perfluorooctane sulfonate (PFOS) in Minnesota Rules, part 4717.7860, subpart 15, so that the health risk limit does not exceed 0.015 parts per billion. In amending the health risk limit for PFOS, the commissioner must comply with Minnesota Statutes, section 144.0751, requiring a reasonable margin of safety to adequately protect the health of infants, children, and adults.

ARTICLE 5
STATE LANDS

Section 1. Minnesota Statutes 2021 Supplement, section 84.63, is amended to read:

84.63 CONVEYING INTERESTS IN LANDS TO STATE, FEDERAL, AND TRIBAL GOVERNMENTS.

(a) Notwithstanding any existing law to the contrary, the commissioner of natural resources is hereby authorized on behalf of the state to convey to the United States, to a federally recognized Indian Tribe, or to the state of Minnesota or any of its subdivisions, upon state-owned lands under the administration of the commissioner of natural resources, permanent or temporary easements for specified periods or otherwise for trails, highways, roads including limitation of right of access from the lands to adjacent highways and roads, flowage for development of fish and game resources, stream protection, flood control, and necessary appurtenances thereto, such conveyances to be made upon such terms and conditions including provision for reversion in the event of non-user as the commissioner of natural resources may determine.

(b) In addition to the fee for the market value of the easement, the commissioner of natural resources shall assess the applicant the following fees:

(1) an application fee of $2,000 to cover reasonable costs for reviewing the application and preparing the easement; and

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the improvement for which the easement was conveyed and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(c) The applicant shall pay these fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(d) Upon completion of construction of the improvement for which the easement was conveyed, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fee, even if the application is withdrawn or denied.

(e) Money received under paragraph (b) must be deposited in the land management account in the natural resources fund and is appropriated to the commissioner of natural resources to cover the reasonable costs incurred for issuing and monitoring easements.

(f) A county or joint county regional railroad authority is exempt from all fees specified under this section for trail easements on state-owned land.

(g) In addition to fees specified in this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the easement application, preparing the easement terms, or constructing the trail, highway, road, or other improvements.

(h) Notwithstanding paragraphs (a) to (g), the commissioner of natural resources may elect to assume the application fee under paragraph (b), clause (1), and waive or assume some or all of the remaining fees and costs imposed under this section if the commissioner determines that issuing the easement will benefit the state's land management interests.

Sec. 2. Minnesota Statutes 2021 Supplement, section 84.631, is amended to read:

84.631 ROAD EASEMENTS ACROSS STATE LANDS.

(a) Except as provided in section 85.015, subdivision 1b, the commissioner of natural resources, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) there are no reasonable alternatives to obtain access to the property; and (2) the exercise of the easement will not cause significant adverse environmental or natural resource management impacts.

(b) The commissioner shall:

(1) require the applicant to pay the market value of the easement;

(2) limit the easement term to 50 years if the road easement is across school trust land;

(3) provide that the easement reverts to the state in the event of nonuse; and

(4) impose other terms and conditions of use as necessary and appropriate under the circumstances.

(c) An applicant shall submit an application fee of $2,000 with each application for a road easement across state land. The application fee is nonrefundable, even if the application is withdrawn or denied.

(d) In addition to the payment for the market value of the easement and the application fee, the commissioner of natural resources shall assess the applicant a monitoring fee to cover the projected reasonable costs for monitoring the construction of the road and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee. The applicant shall pay the application and monitoring fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(e) Upon completion of construction of the road, the commissioner shall refund the unobligated balance from the monitoring fee revenue.

(f) Fees collected under paragraphs (c) and (d) must be credited to the land management account in the natural resources fund and are appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

(g) In addition to fees specified in this section, the applicant must reimburse the state for costs incurred for cultural resources review, monitoring, or other services provided by the Minnesota Historical Society under contract with the commissioner of natural resources or the State Historic Preservation Office of the Department of Administration in connection with the easement application, preparing the easement terms, or constructing the road.

(h) Notwithstanding paragraphs (a) to (g), the commissioner of natural resources may elect to assume the application fee under paragraph (c) and waive or assume some or all of the remaining fees and costs imposed under this section if the commissioner determines that issuing the easement will benefit the state's land management interests.

Sec. 3. Minnesota Statutes 2020, section 84.632, is amended to read:

84.632 CONVEYANCE OF UNNEEDED STATE EASEMENTS.

(a) Notwithstanding section 92.45, the commissioner of natural resources may, in the name of the state, release all or part of an easement acquired by the state upon application of a landowner whose property is burdened with the easement if the easement is not needed for state purposes.

(b) All or part of an easement may be released by payment of the market value of the easement. The release must be in a form approved by the attorney general.

(c) Money received under paragraph (b) must be credited to the account from which money was expended for purchase of the easement. If there is no specific account, the money must be credited to the land acquisition account established in section 94.165.

(d) In addition to payment under paragraph (b), the commissioner of natural resources shall assess a landowner who applies for a release under this section an application fee of $2,000 for reviewing the application and preparing the release of easement. The applicant shall pay the application fee to the commissioner of natural resources. The commissioner shall not issue the release of easement until the applicant has paid the application fee in full. The commissioner shall not return the application fee, even if the application is withdrawn or denied.

(e) Money received under paragraph (d) must be credited to the land management account in the natural resources fund and is appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

(f) Notwithstanding paragraphs (a) to (e), the commissioner of natural resources may elect to assume the application fee under paragraph (d) and waive or assume some or all of the remaining fees and costs imposed under this section if the commissioner determines that issuing the easement release will benefit the state's land management interests.

Sec. 4. Minnesota Statutes 2021 Supplement, section 92.502, is amended to read:

92.502 LEASING TAX-FORFEITED AND STATE LANDS.

(a) Notwithstanding section 282.04 or other law to the contrary, St. Louis County may enter a 30-year lease of tax-forfeited land for a wind energy project.

(b) The commissioner of natural resources may enter a 30-year lease of land administered by the commissioner for a wind energy project.

(c) The commissioner of natural resources may enter a 30-year lease of land administered by the commissioner for recreational trails ~~and~~ or facilities. The commissioner may assess the lease applicant a monitoring fee to cover the projected reasonable costs of monitoring construction of the recreational trail or facility and preparing special terms and conditions of the license to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant is required to submit the fee. Upon completion of construction of the trail or facility, the commissioner must refund the unobligated balance from the monitoring fee revenue.

(d) Notwithstanding section 282.04 or other law to the contrary, Lake and St. Louis Counties may enter into 30-year leases of tax-forfeited land for recreational trails and facilities.

Sec. 5. Minnesota Statutes 2020, section 282.04, subdivision 1, is amended to read:

Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor, with terms and conditions set by the county board, may sell timber upon any tract that may be approved by the natural resources commissioner. The sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until the time as the county board may withdraw the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited, provided the request and transfer is made within the same calendar year as the security was received.

(c) The county board may sell any timber, including biomass, as appraised or scaled. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale under paragraph (a), in which case the notice shall contain a description of the parcels, a statement of the estimated quantity of each species of timber, and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as the case may be. In those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of the sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut

may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding 500 cords in appraised volume may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of a sale involving a total appraised value of more than $200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than $12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private sale, at the prices and under the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, or to use for facilities needed to recover iron-bearing oxides from tailings basins or stockpiles, or for a buffer area needed for a mining operation, upon the conditions and for the consideration and for the period of time, not exceeding 25 years, as the county board may determine. The permits, licenses, or leases are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat and for the production or removal of farm-grown closed-loop biomass as defined in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands upon the terms and conditions as the county board may prescribe. Any lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by the county

auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20 percent of the value of the timber purchased. If an irrevocable bank letter of credit or cash deposit is provided for the down payment required in paragraph (b), and no cutting of timber has taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

(k) As directed by the county board, the county auditor may lease tax-forfeited land under the terms and conditions prescribed by the county board for the purposes of investigating, analyzing, and developing conservation easements that provide ecosystem services.

Sec. 6. Minnesota Statutes 2020, section 282.04, is amended by adding a subdivision to read:

Subd. 4b. **Conservation easements.** The county auditor, with prior review and consultation with the commissioner of natural resources and under the terms and conditions prescribed by the county board, including reversion in the event of nonuse, may convey conservation easements as defined in section 84C.01 on tax-forfeited land.

Sec. 7. **ADDITION TO STATE PARK.**

[85.012] [Subd. 27.] Myre-Big Island State Park, Freeborn County. The following area is added to Myre-Big Island State Park, Freeborn County: all that part of the Northeast Quarter of the Southeast Quarter of Section 11, Township 102 North, Range 21 West of the 5th principal meridian, lying South of the Chicago, Milwaukee, St. Paul and Pacific Railway, and subject to road easement on the easterly side thereof.

Sec. 8. **DELETION FROM STATE FOREST.**

[89.021] [Subd. 13.] Cloquet Valley State Forest. The following areas are deleted from Cloquet Valley State Forest:

(1) those parts of St. Louis County in Township 52 North, Range 16 West, described as follows:

(i) Government Lots 1, 2, 3, 4, and 5 and the Southeast Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 21;

(ii) Government Lots 2, 3, 4, 5, 6, 7, 8, 9, and 10 and the Northeast Quarter of the Northwest Quarter and Northwest Quarter of the Northwest Quarter, Section 22;

(iii) Government Lot 3, Section 23;

(iv) Government Lot 2, Section 24;

(v) Government Lots 1, 4, 5, 6, 7, 8, 9, and 10, Section 25;

(vi) Government Lot 1, Section 26;

(vii) Government Lots 2 and 7, Section 26;

(viii) Government Lots 3 and 4, Section 27, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access road easement across said Government Lot 3 for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 1, Section 27, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally southwesterly-northeasterly direction;

(ix) Government Lots 1 and 2, Section 28;

(x) Government Lots 1, 2, 3, and 5 and the Northeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 29;

(xi) Government Lots 1, 2, 3, and 4, Section 31, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access road easement across said Government Lots 1, 2, and 3 for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned lands that may be sold, assigned, or transferred in Government Lot 4, Section 29, said access road being measured 33 feet from each side of the centerline of that road that is presently existing at various widths and running in a generally East-West direction and any future extensions thereof as may be reasonably necessary to provide the access contemplated herein;

(xii) Government Lots 5, 7, 8, and 9, Section 31;

(xiii) Government Lots 1 and 2, an undivided two-thirds interest in the Northeast Quarter of the Northwest Quarter, an undivided two-thirds interest in the Southeast Quarter of the Northwest Quarter, and an undivided two-thirds interest in the Southwest Quarter of the Northwest Quarter, Section 32, reserving unto grantor and grantor's successors and assigns an access road easement across the West 66 feet of the North 66 feet of said Government Lot 1 for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 29; and

(xiv) the Northeast Quarter of the Northeast Quarter, Section 35;

(2) those parts of St. Louis County in Township 53 North, Range 13 West, described as follows:

(i) all that part of the Northwest Quarter of the Northwest Quarter lying North and West of the Little Cloquet River, Section 4;

(ii) Government Lots 1, 2, 3, 4, and 5 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, Northeast Quarter of the Southwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 5;

(iii) Government Lots 1, 2, and 4 and the Northwest Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 6;

(iv) Government Lots 1, 2, 3, 4, 5, 6, and 7 and the Northwest Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, Southwest Quarter of the Northwest Quarter, Southeast Quarter of the Southeast Quarter, and Northeast Quarter of the Southwest Quarter, Section 7;

(v) Government Lots 1 and 2 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southeast Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Northeast Quarter of the Southwest Quarter, Northwest Quarter of the Southwest Quarter, and Southwest Quarter of the Southwest Quarter, Section 8; and

(vi) the Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter, Southeast Quarter of the Northwest Quarter, and Southwest Quarter of the Northwest Quarter, Section 17;

(3) those parts of St. Louis County in Township 54 North, Range 13 West, described as follows:

(i) Government Lots 1, 4, 5, 6, and 7, Section 20;

(ii) Government Lots 3, 4, 6, 7, and 8 and the Southeast Quarter of the Southwest Quarter, Section 21;

(iii) Government Lots 1, 2, 3, 4, 5, and 7, Section 29;

(iv) Government Lots 1, 2, 3, 4, 9, and 10, Section 30; and

(v) Government Lots 5, 6, and 7 and the Northeast Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter, Southwest Quarter of the Northeast Quarter, Southeast Quarter of the Northwest Quarter, and Northwest Quarter of the Southeast Quarter, Section 31;

(4) those parts of St. Louis County in Township 54 North, Range 16 West, described as follows:

(i) Government Lots 2, 3, and 4 and the Northwest Quarter of the Southwest Quarter, Southeast Quarter of the Northwest Quarter, Southeast Quarter of the Northeast Quarter, and Southwest Quarter of the Northeast Quarter, Section 1;

(ii) Government Lots 1, 2, 3, 4, 6, 7, and 8 and the Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter, and Southeast Quarter of the Northeast Quarter, Section 2;

(iii) all that part of Government Lot 9 lying South of the Whiteface River and West of County Road 547, also known as Comstock Lake Road, Section 3; and

(iv) Government Lots 3 and 4 and the Southeast Quarter of the Northeast Quarter and Southwest Quarter of the Northeast Quarter, Section 10;

(5) those parts of St. Louis County in Township 55 North, Range 15 West, described as follows:

(i) Government Lots 1 and 2, Section 11;

(ii) Government Lot 9, except the Highway 4 right-of-way, Section 11;

(iii) Government Lot 10, except the Highway 4 right-of-way, Section 11;

(iv) Government Lots 2, 3, 4, 5, 6, and 7, Section 15;

(v) Government Lots 2, 3, 5, 6, 7, and 8 and the Northeast Quarter of the Southwest Quarter, Section 21;

(vi) the Southwest Quarter of the Northeast Quarter, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access easement across said Southwest Quarter of the Northeast Quarter for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 4, Section 21, Township 55 North, Range 15 West, said access road being measured 33 feet on each side of the centerline of that road that is presently existing and known as the Whiteface Truck Trail, Section 21;

(vii) Government Lots 1, 2, and 3, Section 22;

(viii) Government Lots 1 and 2 and the Northeast Quarter of the Northwest Quarter, Section 28;

(ix) Government Lots 1, 4, 6, 8, and 9 and the Northeast Quarter of the Northeast Quarter, Northeast Quarter of the Southeast Quarter, and Northwest Quarter of the Southwest Quarter, Section 29;

(x) Government Lots 3 and 4 and the Northeast Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter, and Southeast Quarter of the Southwest Quarter, Section 30;

(xi) Government Lots 2, 3, 4, 5, 6, 8, 9, 10, and 11 and the Northeast Quarter of the Southwest Quarter, Section 31; and

(xii) Government Lot 1, Section 32; and

(6) those parts of St. Louis County in Township 55 North, Range 16 West, described as follows:

(i) the Southwest Quarter of the Southeast Quarter, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access road easement across said Southwest Quarter of the Southeast Quarter for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 5, Section 1, Township 54 North, Range 16 West, Section 35; and

(ii) the Southeast Quarter of the Southeast Quarter, reserving unto grantor and grantor's successors and assigns a 66-foot-wide access road easement across said Southeast Quarter of the Southeast Quarter for the purpose of access to grantor's or grantor's successor's or assign's land and grantor's presently owned land that may be sold, assigned, or transferred in Government Lot 5, Section 1, Township 54 North, Range 16 West, Section 35.

Sec. 9. **ADDITION TO STATE FOREST.**

[89.021] [Subd. 42a.] Riverlands State Forest. Those parts of St. Louis County described as follows are added to Riverlands State Forest:

(1) the Northwest Quarter of the Northwest Quarter, Section 16, Township 50 North, Range 17 West;

(2) Government Lot 9, Section 26, Township 50 North, Range 17 West;

(3) the Northeast Quarter of the Southeast Quarter, Section 30, Township 51 North, Range 19 West;

(4) Government Lot 6, Section 22, Township 51 North, Range 20 West; and

(5) Government Lot 9, Section 24, Township 52 North, Range 20 West.

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

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

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

(c) The land to be sold is part of parcel number 45.00258.00 described as: that part of Government Lot 3, Section 31, Township 148 North, Range 31 West, Beltrami County, Minnesota, described as follows:

Commencing at the southwest corner of said Section 31; thence North 89 degrees 46 minutes 25 seconds East, bearing based on the Beltrami County Coordinate System, South Zone, along the south line of said Section 31, a distance of 960.47 feet; thence North 01 degrees 00 minutes 40 seconds West a distance of 2,116.07 feet to the point of beginning of land to be described, said point designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence continue North 01 degree 00 minutes 40 seconds West a distance of 108.00 feet to a point designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence North 88 degrees 59 minutes 20 seconds East a distance of 60.00 feet to the intersection with the east line of said Government Lot 3; thence South 01 degree 00 minutes 40 seconds East, along said east line of Government Lot 3, a distance of 108.00 feet to the intersection with a line bearing North 88 degrees 59 minutes 20 seconds East from the point of beginning; thence South 88 degrees 59 seconds 20 minutes West, along said line, a distance of 60.00 feet to the point of beginning (0.15 acre).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 11. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CASS COUNTY.**

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

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

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

(1) the West 970 feet of the Northeast Quarter of the Southwest Quarter of Section 32, Township 135 North, Range 29 West, Cass County, Minnesota, EXCEPT therefrom a rectangular piece in the southeast corner thereof 370 feet North and South by 420 feet East and West; and

(2) that part of Government Lot 6 of said Section 32, described as follows: beginning at the northwest corner of said Government Lot 6; thence East along the north line of said Government Lot 6 550 feet; thence South 30 degrees West 528 feet, more or less, to shoreline of Agate Lake; thence northwest along said shoreline of Agate Lake to the west line of said Government Lot 6; thence northerly along said west line 260 feet, more or less, to the point of beginning.

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

Sec. 12. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; FILLMORE COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c), subject to the state's reservation of trout stream easements.

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

(c) The land that may be sold is located in Fillmore County and is described as: the South 13 acres, except the East 2 acres thereof, of the Northwest Quarter of the Southeast Quarter, Section 21, Township 103, Range 10 West, Fillmore County, Minnesota, excepting therefrom the Harmony-Preston Valley State Trail corridor, formerly the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way.

(d) The land borders the Root River and Watson Creek and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes, provided that trout stream easements are reserved on the Root River and Watson Creek, and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 13. **CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; GOODHUE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Goodhue County may convey to the city of Wanamingo for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Wanamingo stops using the land for the public purpose described in paragraph (d). The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Goodhue County and is described as: That part of the Southeast Quarter of Section 30, Township 110 North, Range 16 West, Goodhue County, Minnesota, described as follows: Commencing at the northeast corner of Lot 7, Block 2, Axelson's Hillcrest Addition, according to the recorded plat thereof; thence South 89 degrees 48 minutes 15 seconds East (assuming that the east line of Axelson's Hillcrest Addition also being the west line of the Southeast Quarter of said Section 30, has a bearing of North 00 degrees 11 minutes 45 seconds East), a distance of 30.00 feet; thence North 00 degrees 11 minutes 45 seconds East, a distance of 342.00 feet to the point of beginning; thence South 89 degrees 48 minutes 15 seconds East, a distance of 60.00 feet; thence North 00 degrees 11 minutes 45 seconds East, a distance of 280.00 feet; thence South 89 degrees 48 minutes 15 seconds East, a distance of 60.00 feet; thence North 00 degrees 11 minutes 45 seconds East, a distance of 394 feet, more or less to the north line of the Southeast Quarter of said Section 30, thence westerly, along said north line, a distance of 150.00 feet, more or less, to the northwest corner of said Southeast Quarter; thence South 00 degrees 11 minutes 45 seconds West, along the west line of said Southeast Quarter, a distance of 674 feet, more or less, to an intersection with a line bearing North 89 degrees 48 minutes 15 seconds West from said point of beginning; thence South 89 degrees 48 minutes 15 seconds East, a distance of 30.00 feet to the point of beginning. EXCEPT that part of the above description now platted as Emerald Valley (parcel number 70.380.0710).

(d) The county has determined that the land is needed for a park trail extension.

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

Sec. 14. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) to a local unit of government for less than market value.

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

(c) The land that may be conveyed is located in Hennepin County and is described as: all those parts of Government Lot 5, Section 35, Township 118, Range 23, lying northerly and northwesterly of East Long Lake Road, as it existed in 2021, easterly of a line drawn parallel with and distant 924.88 feet westerly of the east line of said Government Lot 5, and southerly of a line drawn westerly at a right angle to the east line of said Government Lot 5 from a point distant 620 feet South of the northeast corner of said Government Lot 5.

(d) The land borders Long Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were conveyed to a local unit of government.

Sec. 15. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; ITASCA COUNTY.**

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

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

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

(1) the North 1,050.00 feet of Government Lot 1, Section 16, Township 55 North, Range 24 West of the fourth principal meridian, except that part described as follows: commencing at the southeast corner of said Government Lot 1; thence North 0 degrees 46 minutes 09 seconds East, bearing assumed, along the east line thereof, a distance of 280.00 feet to the point of beginning; thence North 89 degrees 13 minutes 51 seconds West, a distance of 345.00 feet; thence South 0 degrees 46 minutes 09 seconds West, a distance of 21.60 feet to its intersection with the south line of the North 1,050.00 feet of said Government Lot 1; thence South 89 degrees 08 minutes 51 seconds East along the south line of the North 1,050.00 feet of said Government Lot 1, a distance of 345.00 feet to the east line of said Government Lot 1; thence North 0 degrees 46 minutes 09 seconds East, along the east line of said Government Lot 1, a distance of 22.10 feet to the point of beginning. Subject to an easement for ingress and egress over 66.00 feet in width, over, under, and across part of Government Lot 1, Section 16, Township 55, Range 24. The centerline of said easement is described as follows: commencing at the northeast corner of said Government Lot 1; thence South 0 degrees 46 minutes 09 seconds West, bearing assumed, along the east line thereof, a distance of 750.00 feet to the point of beginning of the centerline to be described; thence North 89 degrees 08 minutes 51 seconds West, a distance of 845.00 feet; thence South 7 degrees 18 minutes 51 seconds East, a distance of 302.89 feet, and there terminating; and

(2) Lots 1 through 4 of Block 2 and Outlot "B," Loons Landing, according to the plat thereof on file and of record in the Office of the Itasca County Recorder.

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

Sec. 16. **PRIVATE SALE OF SURPLUS STATE LAND; PINE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c), subject to the state's reservation of a perpetual flowage easement.

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

(c) The land that may be sold is located in Pine County and is described as: the north 2 rods of the Southeast Quarter of Section 10, Township 38 North, Range 22 West, Pine County, Minnesota.

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

Sec. 17. **LAND EXCHANGE; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.461, and the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, St. Louis County may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

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

(c) The lands that may be conveyed are located in St. Louis County and are described as:

(1) Sections 1 and 2, Township 53 North, Range 18 West;

(2) Sections 19, 20, 29, 30, 31, and 32, Township 54 North, Range 17 West;

(3) Sections 24, 25, 26, and 35, Township 54 North, Range 18 West;

(4) Sections 22, 23, 26, and 27, Township 54 North, Range 19 West; and

(5) Sections 8, 9, 17, and 18, Township 55 North, Range 18 West.

Sec. 18. **LAND ACQUISITION TRUST FUND; ST. LOUIS COUNTY.**

Notwithstanding Minnesota Statutes, chapter 282, and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, St. Louis County may deposit proceeds from the sale of tax-forfeited lands into a tax-forfeited land acquisition trust fund established by St. Louis County under this section. The principal and interest from the fund may be spent on the purchase of lands better suited for retention and management by St. Louis County. Lands purchased with money from the land acquisition trust fund must:

(1) become subject to a trust in favor of the governmental subdivision wherein the lands lie and all laws related to tax-forfeited lands; and

(2) be used for forestry, mineral management, or environmental services.

Sec. 19. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

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

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

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

(1) Lots 23 through 30, including part of adjacent vacant alley, Block 54, Bay View Addition to Duluth No. 2, Township 49, Range 15, Section 11 (parcel identification number 010-0230-03300); and

(2) Lot 2, except the South 760 feet, Township 62, Range 20, Section 18 (part of parcel identification number 430-0010-02916).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 20. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) for less than market value.

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

(c) The land that may be conveyed is located in Sherburne County and is described as: that part of the North 595.50 feet of Government Lot 6, Section 31, Township 34 North, Range 27 West, Sherburne County, Minnesota, lying southerly of the following described line: commencing at a Minnesota Department of Conservation monument on the south line of the said North 595.50 feet; thence North 89 degrees 38 minutes 17 seconds West, bearing per plat of Eagle Lake Estates Boundary Registration, along said south line 71.28 feet to a Judicial Land Mark; thence North 21 degrees 51 minutes 43 seconds West, along the easterly line of Outlot A of said Eagle Lake Estates Boundary Registration 27.5 feet to the point of beginning; thence North 80 degrees East 72 feet, more or less, to the shoreline of Eagle Lake and there terminating.

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

Sec. 21. **AUTHORIZATION OF ADJUTANT GENERAL TO EXCHANGE SURPLUS PROPERTY WITHIN THE CITY OF ROSEMOUNT.**

(a) Notwithstanding Minnesota Statutes, sections 94.3495 and 193.36, the adjutant general of the Minnesota National Guard may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, exchange the surplus land described in paragraph (b) for an equal amount of land owned by the city of Rosemount, regardless of a difference in market value.

(b) The land to be exchanged is within the city of Rosemount adjacent to a Minnesota National Guard field maintenance shop.

Sec. 22. **REPEALER.**

Laws 2012, chapter 236, section 28, subdivision 9, as amended by Laws 2016, chapter 154, section 11, and Laws 2019, First Special Session chapter 4, article 4, section 7, is repealed.

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

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment, natural resources, and tourism; creating Outdoor Recreation Office; modifying pesticide and seed provisions; providing for soil health and protection of peat soil; modifying invasive species management; modifying state trails; providing for compensation of certain board, commission, and council members; providing for watercraft operator's permit, safety program, and rental requirements; modifying walk-in access program; modifying game and fish laws; modifying certain accounts; providing for disposition of certain receipts; creating programs; modifying Water Law; modifying air and water pollution provisions; requiring environmental justice considerations; modifying solid waste and feedlot provisions; modifying provisions and transferring authority to regulate farmed Cervidae; prohibiting PFAS, lead, and cadmium in certain products; defining terms for metropolitan government; creating Pig's Eye Landfill Task Force; modifying land use provisions; modifying provisions for conveying interests in state lands; adding to and deleting from state parks and state forests; authorizing conveyances of certain state lands; providing for disposition of proceeds from sale of tax-forfeited land; requiring reports; requiring rulemaking; providing criminal penalties; amending Minnesota Statutes 2020, sections 13.643, subdivision 6; 15A.0815, subdivision 3; 18B.09, subdivision 2, by adding a subdivision; 21.81, by adding a subdivision; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 6, 10, 12, by adding a subdivision; 84.632; 84D.02, subdivision 3; 85.015, subdivision 10; 85A.01, subdivision 1; 86B.313, subdivision 4; 89A.03, subdivision 5; 90.181, subdivision 2; 97A.015, by adding a subdivision; 97A.126, as amended; 97A.137, subdivision 3; 97A.475, subdivision 41; 97C.605, subdivisions 1, 2c; 103B.101, subdivision 2; 103B.103; 103G.271, by adding a subdivision; 103G.287, subdivision 5; 103G.299, subdivisions 1, 2, 5, 10; 115.061; 115.071, by adding a subdivision; 115B.17, subdivision 14; 115B.52, subdivision 4; 116.06, subdivision 1, by adding subdivisions; 116.07, subdivision 4a, by adding subdivisions; 116C.03, subdivision 2a; 116D.04, by adding a subdivision; 116P.05, subdivision 1; 171.07, by adding a subdivision; 282.04, subdivision 1, by adding a subdivision; 282.08; 297A.94; 325E.046; 325F.072, subdivisions 1, 3; 394.36, subdivision 4; 473.121, by adding subdivisions; Minnesota Statutes 2021 Supplement, sections 35.155, subdivision 11; 84.63; 84.631; 92.502; 97C.605, subdivision 3; 97C.611; proposing coding for new law in Minnesota Statutes, chapters 21; 84; 86A; 86B; 97B; 103B; 103C; 103E; 103F; 103G; 115A; 116; 325E; repealing Minnesota Statutes 2020, sections 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97C.605, subdivisions 2, 2a, 2b, 5; 325E.389; 325E.3891; Laws 2012, chapter 236, section 28, subdivision 9, as amended; Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8."

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

The report was adopted.

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

H. F. No. 4579, A bill for an act relating to state government; making human services forecast adjustments; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
COMMUNITY SUPPORTS AND BEHAVIORAL HEALTH POLICY

Section 1. Minnesota Statutes 2021 Supplement, section 62A.673, subdivision 2, is amended to read:

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

(b) "Distant site" means a site at which a health care provider is located while providing health care services or consultations by means of telehealth.

(c) "Health care provider" means a health care professional who is licensed or registered by the state to perform health care services within the provider's scope of practice and in accordance with state law. A health care provider includes a mental health professional ~~as defined~~ under section ~~245.462, subdivision 18, or 245.4871, subdivision 27~~ 245I.04, subdivision 2; a mental health practitioner ~~as defined~~ under section ~~245.462, subdivision 17, or 245.4871, subdivision 26~~ 245I.04, subdivision 4; a clinical trainee under section 245I.04, subdivision 6; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; and a recovery peer under section 245G.11, subdivision 8.

(d) "Health carrier" has the meaning given in section 62A.011, subdivision 2.

(e) "Health plan" has the meaning given in section 62A.011, subdivision 3. Health plan includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental plans that provide indemnity-based benefits, regardless of expenses incurred, and are designed to pay benefits directly to the policy holder.

(f) "Originating site" means a site at which a patient is located at the time health care services are provided to the patient by means of telehealth. For purposes of store-and-forward technology, the originating site also means the location at which a health care provider transfers or transmits information to the distant site.

(g) "Store-and-forward technology" means the asynchronous electronic transfer or transmission of a patient's medical information or data from an originating site to a distant site for the purposes of diagnostic and therapeutic assistance in the care of a patient.

(h) "Telehealth" means the delivery of health care services or consultations through the use of real time two-way interactive audio and visual communications to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes the application of secure video conferencing, store-and-forward technology, and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Until July 1, 2023, telehealth also includes audio-only communication between a health care provider and a patient in accordance with subdivision 6, paragraph (b). Telehealth does not include communication between health care providers that consists solely of a telephone conversation, e-mail, or facsimile transmission. Telehealth does not include communication between a health care provider and a patient that consists solely of an e-mail or facsimile transmission. Telehealth does not include telemonitoring services as defined in paragraph (i).

(i) "Telemonitoring services" means the remote monitoring of clinical data related to the enrollee's vital signs or biometric data by a monitoring device or equipment that transmits the data electronically to a health care provider for analysis. Telemonitoring is intended to collect an enrollee's health-related data for the purpose of assisting a health care provider in assessing and monitoring the enrollee's medical condition or status.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 2. Minnesota Statutes 2021 Supplement, 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 ~~individuals defined in section 256B.0623, subdivision 5, clauses (1) to (6),~~ 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.

(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).

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2021 Supplement, section 245.467, subdivision 2, is amended to read:

Subd. 2. **Diagnostic assessment.** ~~Providers~~ A provider of services governed by this section must complete a diagnostic assessment of a client according to the standards of section 245I.10~~, subdivisions 4 to 6~~.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2021 Supplement, section 245.467, subdivision 3, is amended to read:

Subd. 3. **Individual treatment plans.** ~~Providers~~ A provider of services governed by this section must complete an individual treatment plan for a client according to the standards of section 245I.10, subdivisions 7 and 8.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2021 Supplement, 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 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.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2021 Supplement, section 245.4876, subdivision 2, is amended to read:

Subd. 2. **Diagnostic assessment.** ~~Providers~~ A provider of services governed by this section ~~shall~~ must complete a diagnostic assessment of a client according to the standards of section 245I.10~~, subdivisions 4 to 6~~. Notwithstanding the required timelines for completing a diagnostic assessment in section 245I.10, a children's residential facility licensed under Minnesota Rules, chapter 2960, that provides mental health services to children must, within ten days of the client's admission: (1) complete the client's diagnostic assessment; or (2) review and update the client's diagnostic assessment with a summary of the child's current mental health status and service needs if a diagnostic assessment is available that was completed within 180 days preceding admission and the client's mental health status has not changed markedly since the diagnostic assessment.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2021 Supplement, section 245.4876, subdivision 3, is amended to read:

Subd. 3. **Individual treatment plans.** ~~Providers~~ A provider of services governed by this section ~~shall~~ must complete an individual treatment plan for a client according to the standards of section 245I.10, subdivisions 7 and 8. A children's residential facility licensed according to Minnesota Rules, chapter 2960, is exempt from the requirements in section 245I.10, subdivisions 7 and 8. Instead, the facility must involve the child and the child's family in all phases of developing and implementing the individual treatment plan to the extent appropriate and must review the individual treatment plan every 90 days after intake.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2021 Supplement, section 245.735, subdivision 3, is amended to read:

Subd. 3. **Certified community behavioral health clinics.** (a) The commissioner shall establish a state certification process for certified community behavioral health clinics (CCBHCs) that satisfy all federal requirements necessary for CCBHCs certified under this section to be eligible for reimbursement under medical assistance, without service area limits based on geographic area or region. The commissioner shall consult with CCBHC stakeholders before establishing and implementing changes in the certification process and requirements. Entities that choose to be CCBHCs must:

(1) comply with state licensing requirements and other requirements issued by the commissioner;

(2) employ or contract for clinic staff who have backgrounds in diverse disciplines, including licensed mental health professionals and licensed alcohol and drug counselors, and staff who are culturally and linguistically trained to meet the needs of the population the clinic serves;

(3) ensure that clinic services are available and accessible to individuals and families of all ages and genders and that crisis management services are available 24 hours per day;

(4) establish fees for clinic services for individuals who are not enrolled in medical assistance using a sliding fee scale that ensures that services to patients are not denied or limited due to an individual's inability to pay for services;

(5) comply with quality assurance reporting requirements and other reporting requirements, including any required reporting of encounter data, clinical outcomes data, and quality data;

(6) provide crisis mental health and substance use services, withdrawal management services, emergency crisis intervention services, and stabilization services through existing mobile crisis services; screening, assessment, and diagnosis services, including risk assessments and level of care determinations; person- and family-centered treatment planning; outpatient mental health and substance use services; targeted case management; psychiatric rehabilitation services; peer support and counselor services and family support services; and intensive community-based mental health services, including mental health services for members of the armed forces and veterans. CCBHCs must directly provide the majority of these services to enrollees, but may coordinate some services with another entity through a collaboration or agreement, pursuant to paragraph (b);

(7) provide coordination of care across settings and providers to ensure seamless transitions for individuals being served across the full spectrum of health services, including acute, chronic, and behavioral needs. Care coordination may be accomplished through partnerships or formal contracts with:

(i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally qualified health centers, inpatient psychiatric facilities, substance use and detoxification facilities, or community-based mental health providers; and

(ii) other community services, supports, and providers, including schools, child welfare agencies, juvenile and criminal justice agencies, Indian health services clinics, tribally licensed health care and mental health facilities, urban Indian health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute care hospitals, and hospital outpatient clinics;

(8) be certified as a mental health ~~clinics~~ clinic under section ~~245.69, subdivision 2~~ 245I.20;

(9) comply with standards established by the commissioner relating to CCBHC screenings, assessments, and evaluations;

(10) be licensed to provide substance use disorder treatment under chapter 245G;

(11) be certified to provide children's therapeutic services and supports under section 256B.0943;

(12) be certified to provide adult rehabilitative mental health services under section 256B.0623;

(13) be enrolled to provide mental health crisis response services under ~~sections~~ section 256B.0624 ~~and 256B.0944~~;

(14) be enrolled to provide mental health targeted case management under section 256B.0625, subdivision 20;

(15) comply with standards relating to mental health case management in Minnesota Rules, parts 9520.0900 to 9520.0926;

(16) provide services that comply with the evidence-based practices described in paragraph (e); and

(17) comply with standards relating to peer services under sections 256B.0615, 256B.0616, and 245G.07, subdivision 1, paragraph (a), clause (5), as applicable when peer services are provided.

(b) If a certified CCBHC is unable to provide one or more of the services listed in paragraph (a), clauses (6) to (17), the CCBHC may contract with another entity that has the required authority to provide that service and that meets the following criteria as a designated collaborating organization:

(1) the entity has a formal agreement with the CCBHC to furnish one or more of the services under paragraph (a), clause (6);

(2) the entity provides assurances that it will provide services according to CCBHC service standards and provider requirements;

(3) the entity agrees that the CCBHC is responsible for coordinating care and has clinical and financial responsibility for the services that the entity provides under the agreement; and

(4) the entity meets any additional requirements issued by the commissioner.

(c) Notwithstanding any other law that requires a county contract or other form of county approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise meets CCBHC requirements may receive the prospective payment under section 256B.0625, subdivision 5m, for those services without a county contract or county approval. As part of the certification process in paragraph (a), the commissioner shall require a letter of support from the CCBHC's host county confirming that the CCBHC and the county or counties it serves have an ongoing relationship to facilitate access and continuity of care, especially for individuals who are uninsured or who may go on and off medical assistance.

(d) When the standards listed in paragraph (a) or other applicable standards conflict or address similar issues in duplicative or incompatible ways, the commissioner may grant variances to state requirements if the variances do not conflict with federal requirements for services reimbursed under medical assistance. If standards overlap, the commissioner may substitute all or a part of a licensure or certification that is substantially the same as another licensure or certification. The commissioner shall consult with stakeholders, as described in subdivision 4, before granting variances under this provision. For the CCBHC that is certified but not approved for prospective payment under section 256B.0625, subdivision 5m, the commissioner may grant a variance under this paragraph if the variance does not increase the state share of costs.

(e) The commissioner shall issue a list of required evidence-based practices to be delivered by CCBHCs, and may also provide a list of recommended evidence-based practices. The commissioner may update the list to reflect advances in outcomes research and medical services for persons living with mental illnesses or substance use disorders. The commissioner shall take into consideration the adequacy of evidence to support the efficacy of the practice, the quality of workforce available, and the current availability of the practice in the state. At least 30 days before issuing the initial list and any revisions, the commissioner shall provide stakeholders with an opportunity to comment.

(f) The commissioner shall recertify CCBHCs at least every three years. The commissioner shall establish a process for decertification and shall require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section or that fails to meet the standards provided by the commissioner in the application and certification process.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. Minnesota Statutes 2021 Supplement, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a family child foster care home or family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) foster care settings where at least 80 percent of the residents are 55 years of age or older;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital level care; or

~~(5) new foster care licenses or community residential setting licenses for people receiving services under chapter 245D and residing in an unlicensed setting before May 1, 2017, and for which a license is required. This exception does not apply to people living in their own home. For purposes of this clause, there is a presumption that a foster care or community residential setting license is required for services provided to three or more people in a dwelling unit when the setting is controlled by the provider. A license holder subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until June 30, 2018. This exception is available when:~~

~~(i) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and~~

~~(ii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the unlicensed setting as determined by the lead agency; or~~

~~(6)~~ (5) new foster care licenses or community residential setting licenses for people receiving customized living or 24-hour customized living services under the brain injury or community access for disability inclusion waiver plans under section 256B.49 and residing in the customized living setting before July 1, 2022, for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until June 30, 2023. This exception is available when:

(i) the person's customized living services are provided in a customized living service setting serving four or fewer people under the brain injury or community access for disability inclusion waiver plans under section 256B.49 in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;

(ii) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and

(iii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the customized living setting as determined by the lead agency.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available reports required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493. Annually, by August 1, the commissioner shall

provide information and data on capacity of licensed long-term services and supports, actions taken under the subdivision to manage statewide long-term services and supports resources, and any recommendations for change to the legislative committees with jurisdiction over the health and human services budget.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

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

Sec. 10. Minnesota Statutes 2020, section 245D.12, is amended to read:

245D.12 INTEGRATED COMMUNITY SUPPORTS; SETTING CAPACITY REPORT.

(a) The license holder providing integrated community support, as defined in section 245D.03, subdivision 1, paragraph (c), clause (8), must submit a setting capacity report to the commissioner to ensure the identified location of service delivery meets the criteria of the home and community-based service requirements as specified in section 256B.492.

(b) The license holder shall provide the setting capacity report on the forms and in the manner prescribed by the commissioner. The report must include:

(1) the address of the multifamily housing building where the license holder delivers integrated community supports and owns, leases, or has a direct or indirect financial relationship with the property owner;

(2) the total number of living units in the multifamily housing building described in clause (1) where integrated community supports are delivered;

(3) the total number of living units in the multifamily housing building described in clause (1), including the living units identified in clause (2); ~~and~~

(4) the total number of people who could reside in the living units in the multifamily housing building described in clause (2) and receive integrated community supports; and

~~(4)~~ (5) the percentage of living units that are controlled by the license holder in the multifamily housing building by dividing clause (2) by clause (3).

(c) Only one license holder may deliver integrated community supports at the address of the multifamily housing building.

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

Sec. 11. Minnesota Statutes 2021 Supplement, section 245I.02, subdivision 19, is amended to read:

Subd. 19. **Level of care assessment.** "Level of care assessment" means the level of care decision support tool appropriate to the client's age. For a client five years of age or younger, a level of care assessment is the Early Childhood Service Intensity Instrument (ESCII). For a client six to 17 years of age, a level of care assessment is the Child and Adolescent Service Intensity Instrument (CASII). For a client 18 years of age or older, a level of care assessment is the Level of Care Utilization System for Psychiatric and Addiction Services (LOCUS) or another tool authorized by the commissioner.

Sec. 12. Minnesota Statutes 2021 Supplement, section 245I.02, subdivision 36, is amended to read:

Subd. 36. **Staff person.** "Staff person" means an individual who works under a license holder's direction or under a contract with a license holder. Staff person includes an intern, consultant, contractor, individual who works part-time, and an individual who does not provide direct contact services to clients but does have physical access to clients. Staff person includes a volunteer who provides treatment services to a client or a volunteer whom the license holder regards as a staff person for the purpose of meeting staffing or service delivery requirements. A staff person must be 18 years of age or older.

Sec. 13. Minnesota Statutes 2021 Supplement, section 245I.03, subdivision 9, is amended to read:

Subd. 9. **Volunteers.** ~~A~~ If a license holder uses volunteers, the license holder must have policies and procedures for using volunteers, including when ~~a~~ the license holder must submit a background study for a volunteer, and the specific tasks that a volunteer may perform.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 14. Minnesota Statutes 2021 Supplement, section 245I.04, subdivision 4, is amended to read:

Subd. 4. **Mental health practitioner qualifications.** (a) An individual who is qualified in at least one of the ways described in paragraph (b) to (d) may serve as a mental health practitioner.

(b) An individual is qualified as a mental health practitioner through relevant coursework if the individual completes at least 30 semester hours or 45 quarter hours in behavioral sciences or related fields and:

(1) has at least 2,000 hours of experience providing services to individuals with:

(i) a mental illness or a substance use disorder; or

(ii) a traumatic brain injury or a developmental disability, and completes the additional training described in section 245I.05, subdivision 3, paragraph (c), before providing direct contact services to a client;

(2) is fluent in the non-English language of the ethnic group to which at least 50 percent of the individual's clients belong, and completes the additional training described in section 245I.05, subdivision 3, paragraph (c), before providing direct contact services to a client;

(3) is working in a day treatment program under section 256B.0671, subdivision 3, or 256B.0943; ~~or~~

(4) has completed a practicum or internship that (i) required direct interaction with adult clients or child clients, and (ii) was focused on behavioral sciences or related fields~~.~~; or

(5) is in the process of completing a practicum or internship as part of a formal undergraduate or graduate training program in social work, psychology, or counseling.

(c) An individual is qualified as a mental health practitioner through work experience if the individual:

(1) has at least 4,000 hours of experience in the delivery of services to individuals with:

(i) a mental illness or a substance use disorder; or

(ii) a traumatic brain injury or a developmental disability, and completes the additional training described in section 245I.05, subdivision 3, paragraph (c), before providing direct contact services to clients; or

(2) receives treatment supervision at least once per week until meeting the requirement in clause (1) of 4,000 hours of experience and has at least 2,000 hours of experience providing services to individuals with:

(i) a mental illness or a substance use disorder; or

(ii) a traumatic brain injury or a developmental disability, and completes the additional training described in section 245I.05, subdivision 3, paragraph (c), before providing direct contact services to clients.

(d) An individual is qualified as a mental health practitioner if the individual has a master's or other graduate degree in behavioral sciences or related fields.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 15. Minnesota Statutes 2021 Supplement, 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 ~~qualified under~~ 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.

(d) Within 90 days of first providing direct contact services to an adult client, a clinical trainee, 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, a clinical trainee, 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.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. Minnesota Statutes 2021 Supplement, section 245I.08, subdivision 4, is amended to read:

Subd. 4. **Progress notes.** A license holder must use a progress note to document each occurrence of a mental health service that a staff person provides to a client. A progress note must include the following:

(1) the type of service;

(2) the date of service;

(3) the start and stop time of the service unless the license holder is licensed as a residential program;

(4) the location of the service;

(5) the scope of the service, including: (i) the targeted goal and objective; (ii) the intervention that the staff person provided to the client and the methods that the staff person used; (iii) the client's response to the intervention; (iv) the staff person's plan to take future actions, including changes in treatment that the staff person will implement if the intervention was ineffective; and (v) the service modality;

(6) the signature~~, printed name,~~ and credentials of the staff person who provided the service to the client;

(7) the mental health provider travel documentation required by section 256B.0625, if applicable; and

(8) significant observations by the staff person, if applicable, including: (i) the client's current risk factors; (ii) emergency interventions by staff persons; (iii) consultations with or referrals to other professionals, family, or significant others; and (iv) changes in the client's mental or physical symptoms.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2021 Supplement, section 245I.09, subdivision 2, is amended to read:

Subd. 2. **Record retention.** A license holder must retain client records of a discharged client for a minimum of five years from the date of the client's discharge. A license holder who ~~ceases to provide treatment services to a client~~ closes a program must retain ~~the~~ a client's records for a minimum of five years from the date that the license holder stopped providing services to the client and must notify the commissioner of the location of the client records and the name of the individual responsible for storing and maintaining the client records.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 18. Minnesota Statutes 2021 Supplement, section 245I.10, subdivision 2, is amended to read:

Subd. 2. **Generally.** (a) A license holder must use a client's diagnostic assessment or crisis assessment to determine a client's eligibility for mental health services, except as provided in this section.

(b) Prior to completing a client's initial diagnostic assessment, a license holder may provide a client with the following services:

(1) an explanation of findings;

(2) neuropsychological testing, neuropsychological assessment, and psychological testing;

(3) any combination of psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed three sessions;

(4) crisis assessment services according to section 256B.0624; and

(5) ten days of intensive residential treatment services according to the assessment and treatment planning standards in section ~~245.23~~ 245I.23, subdivision 7.

(c) Based on the client's needs that a crisis assessment identifies under section 256B.0624, a license holder may provide a client with the following services:

(1) crisis intervention and stabilization services under section 245I.23 or 256B.0624; and

(2) any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization.

(d) Based on the client's needs in the client's brief diagnostic assessment, a license holder may provide a client with any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization for any new client or for an existing client who the license holder projects will need fewer than ten sessions during the next 12 months.

(e) Based on the client's needs that a hospital's medical history and presentation examination identifies, a license holder may provide a client with:

(1) any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization for any new client or for an existing client who the license holder projects will need fewer than ten sessions during the next 12 months; and

(2) up to five days of day treatment services or partial hospitalization.

(f) A license holder must complete a new standard diagnostic assessment of a client:

(1) when the client requires services of a greater number or intensity than the services that paragraphs (b) to (e) describe;

(2) at least annually following the client's initial diagnostic assessment if the client needs additional mental health services and the client does not meet the criteria for a brief assessment;

(3) when the client's mental health condition has changed markedly since the client's most recent diagnostic assessment; or

(4) when the client's current mental health condition does not meet the criteria of the client's current diagnosis.

(g) For an existing client, the license holder must ensure that a new standard diagnostic assessment includes a written update containing all significant new or changed information about the client, and an update regarding what information has not significantly changed, including a discussion with the client about changes in the client's life situation, functioning, presenting problems, and progress with achieving treatment goals since the client's last diagnostic assessment was completed.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 19. Minnesota Statutes 2021 Supplement, section 245I.10, subdivision 6, is amended to read:

Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health professional or a clinical trainee may complete a standard diagnostic assessment of a client. A standard diagnostic assessment of a client must include a face-to-face interview with a client and a written evaluation of the client. The assessor must complete a client's standard diagnostic assessment within the client's cultural context.

(b) When completing a standard diagnostic assessment of a client, the assessor must gather and document information about the client's current life situation, including the following information:

(1) the client's age;

(2) the client's current living situation, including the client's housing status and household members;

(3) the status of the client's basic needs;

(4) the client's education level and employment status;

(5) the client's current medications;

(6) any immediate risks to the client's health and safety;

(7) the client's perceptions of the client's condition;

(8) the client's description of the client's symptoms, including the reason for the client's referral;

(9) the client's history of mental health treatment; and

(10) cultural influences on the client.

(c) If the assessor cannot obtain the information that this ~~subdivision~~ paragraph requires without retraumatizing the client or harming the client's willingness to engage in treatment, the assessor must identify which topics will require further assessment during the course of the client's treatment. The assessor must gather and document information related to the following topics:

(1) the client's relationship with the client's family and other significant personal relationships, including the client's evaluation of the quality of each relationship;

(2) the client's strengths and resources, including the extent and quality of the client's social networks;

(3) important developmental incidents in the client's life;

(4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

(5) the client's history of or exposure to alcohol and drug usage and treatment; and

(6) the client's health history and the client's family health history, including the client's physical, chemical, and mental health history.

(d) When completing a standard diagnostic assessment of a client, an assessor must use a recognized diagnostic framework.

(1) When completing a standard diagnostic assessment of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three.

(2) When completing a standard diagnostic assessment of a client who is six years of age or older, the assessor must use the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

(3) When completing a standard diagnostic assessment of a client who is five years of age or younger, an assessor must administer the Early Childhood Service Intensity Instrument (ECSII) to the client and include the results in the client's assessment.

(4) When completing a standard diagnostic assessment of a client who is six to 17 years of age, an assessor must administer the Child and Adolescent Service Intensity Instrument (CASII) to the client and include the results in the client's assessment.

(5) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder.

(e) When completing a standard diagnostic assessment of a client, the assessor must include and document the following components of the assessment:

(1) the client's mental status examination;

(2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources; vulnerabilities; safety needs, including client information that supports the assessor's findings after applying a recognized diagnostic framework from paragraph (d); and any differential diagnosis of the client;

(3) an explanation of: (i) how the assessor diagnosed the client using the information from the client's interview, assessment, psychological testing, and collateral information about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths; and (v) the client's responsivity factors.

(f) When completing a standard diagnostic assessment of a client, the assessor must consult the client and the client's family about which services that the client and the family prefer to treat the client. The assessor must make referrals for the client as to services required by law.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2021 Supplement, section 245I.20, subdivision 5, is amended to read:

Subd. 5. **Treatment supervision specified.** (a) A mental health professional must remain responsible for each client's case. The certification holder must document the name of the mental health professional responsible for each case and the dates that the mental health professional is responsible for the client's case from beginning date to end date. The certification holder must assign each client's case for assessment, diagnosis, and treatment services to a treatment team member who is competent in the assigned clinical service, the recommended treatment strategy, and in treating the client's characteristics.

(b) Treatment supervision of mental health practitioners and clinical trainees required by section 245I.06 must include case reviews as described in this paragraph. Every two months, a mental health professional must complete and document a case review of each client assigned to the mental health professional when the client is receiving clinical services from a mental health practitioner or clinical trainee. The case review must include a consultation process that thoroughly examines the client's condition and treatment, including: (1) a review of the client's reason for seeking treatment, diagnoses and assessments, and the individual treatment plan; (2) a review of the appropriateness, duration, and outcome of treatment provided to the client; and (3) treatment recommendations.

Sec. 21. Minnesota Statutes 2021 Supplement, section 245I.23, subdivision 22, is amended to read:

Subd. 22. **Additional policy and procedure requirements.** (a) In addition to the policies and procedures in section 245I.03, the license holder must establish, enforce, and maintain the policies and procedures in this subdivision.

(b) The license holder must have policies and procedures for receiving referrals and making admissions determinations about referred persons under subdivisions ~~14 to 16~~ 15 to 17.

(c) The license holder must have policies and procedures for discharging clients under subdivision ~~17~~ 18. In the policies and procedures, the license holder must identify the staff persons who are authorized to discharge clients from the program.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. Minnesota Statutes 2021 Supplement, 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) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) care 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) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management services provided according to chapter 245F;

(6) medication-assisted therapy services that are licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

(7) medication-assisted therapy plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;

(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(9) 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;

(10) 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;

(11) high-intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of clinical services each week 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

(12) 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) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; 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 two hours 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 chemical dependency problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals~~, as defined in section 245.462, subdivision 18, clauses (1) to (6)~~ under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and ~~licensed~~ mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance abuse disorders 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 chemical dependency facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.

(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 (4), items (i) to (iv).

(f) Subject to federal approval, 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.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 23. Minnesota Statutes 2021 Supplement, section 256B.0622, subdivision 2, is amended to read:

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

(b) "ACT team" means the group of interdisciplinary mental health staff who work as a team to provide assertive community treatment.

(c) "Assertive community treatment" means intensive nonresidential treatment and rehabilitative mental health services provided according to the assertive community treatment model. Assertive community treatment provides a single, fixed point of responsibility for treatment, rehabilitation, and support needs for clients. Services are offered 24 hours per day, seven days per week, in a community-based setting.

(d) "Individual treatment plan" means a plan described by section 245I.10, subdivisions 7 and 8.

(e) "Crisis assessment and intervention" means ~~mental health~~ mobile crisis response services ~~as defined in~~ under section 256B.0624~~, subdivision 2~~.

(f) "Individual treatment team" means a minimum of three members of the ACT team who are responsible for consistently carrying out most of a client's assertive community treatment services.

(g) "Primary team member" means the person who leads and coordinates the activities of the individual treatment team and is the individual treatment team member who has primary responsibility for establishing and maintaining a therapeutic relationship with the client on a continuing basis.

(h) "Certified rehabilitation specialist" means a staff person who is qualified according to section 245I.04, subdivision 8.

(i) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

(j) "Mental health certified peer specialist" means a staff person who is qualified according to section 245I.04, subdivision 10.

(k) "Mental health practitioner" means a staff person who is qualified according to section 245I.04, subdivision 4.

(l) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(m) "Mental health rehabilitation worker" means a staff person who is qualified according to section 245I.04, subdivision 14.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 24. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 3b, is amended to read:

Subd. 3b. **Telehealth services.** (a) Medical assistance covers medically necessary services and consultations delivered by a health care provider through telehealth in the same manner as if the service or consultation was delivered through in-person contact. Services or consultations delivered through telehealth shall be paid at the full allowable rate.

(b) The commissioner may establish criteria that a health care provider must attest to in order to demonstrate the safety or efficacy of delivering a particular service through telehealth. The attestation may include that the health care provider:

(1) has identified the categories or types of services the health care provider will provide through telehealth;

(2) has written policies and procedures specific to services delivered through telehealth that are regularly reviewed and updated;

(3) has policies and procedures that adequately address patient safety before, during, and after the service is delivered through telehealth;

(4) has established protocols addressing how and when to discontinue telehealth services; and

(5) has an established quality assurance process related to delivering services through telehealth.

(c) As a condition of payment, a licensed health care provider must document each occurrence of a health service delivered through telehealth to a medical assistance enrollee. Health care service records for services delivered through telehealth must meet the requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

(1) the type of service delivered through telehealth;

(2) the time the service began and the time the service ended, including an a.m. and p.m. designation;

(3) the health care provider's basis for determining that telehealth is an appropriate and effective means for delivering the service to the enrollee;

(4) the mode of transmission used to deliver the service through telehealth and records evidencing that a particular mode of transmission was utilized;

(5) the location of the originating site and the distant site;

(6) if the claim for payment is based on a physician's consultation with another physician through telehealth, the written opinion from the consulting physician providing the telehealth consultation; and

(7) compliance with the criteria attested to by the health care provider in accordance with paragraph (b).

(d) Telehealth visits, as described in this subdivision provided through audio and visual communication~~,~~ or accessible video-based platforms may ~~be used to~~ satisfy the face-to-face requirement for reimbursement under the payment methods that apply to a federally qualified health center, rural health clinic, Indian health service, 638 tribal clinic, and certified community behavioral health clinic, if the service would have otherwise qualified for payment if performed in person. Beginning July 1, 2021, visits provided through telephone may satisfy the face-to-face requirement for reimbursement under these payment methods if the service would have otherwise qualified for payment if performed in person until the COVID-19 federal public health emergency ends or July 1, 2023, whichever is earlier.

~~(e) For mental health services or assessments delivered through telehealth that are based on an individual treatment plan, the provider may document the client's verbal approval or electronic written approval of the treatment plan or change in the treatment plan in lieu of the client's signature in accordance with Minnesota Rules, part 9505.0371.~~

~~(f)~~ (e) For purposes of this subdivision, unless otherwise covered under this chapter:

(1) "telehealth" means the delivery of health care services or consultations through the use of real-time two-way interactive audio and visual communication to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes the application of secure video conferencing, store-and-forward technology, and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Telehealth does not include communication between health care providers, or between a health care provider and a patient that consists solely of an audio-only communication, e-mail, or facsimile transmission or as specified by law;

(2) "health care provider" means a health care provider as defined under section 62A.673, a community paramedic as defined under section 144E.001, subdivision 5f, a community health worker who meets the criteria under subdivision 49, paragraph (a), a mental health certified peer specialist under section ~~256B.0615, subdivision 5~~ 245I.04, subdivision 10, a mental health certified family peer specialist under section ~~256B.0616, subdivision 5~~

245I.04, subdivision 12, a mental health rehabilitation worker under section ~~256B.0623, subdivision 5, paragraph (a), clause (4), and paragraph (b)~~ 245I.04, subdivision 14, a mental health behavioral aide under section ~~256B.0943, subdivision 7, paragraph (b), clause (3)~~ 245I.04, subdivision 16, a treatment coordinator under section 245G.11, subdivision 7, an alcohol and drug counselor under section 245G.11, subdivision 5, a recovery peer under section 245G.11, subdivision 8; and

(3) "originating site," "distant site," and "store-and-forward technology" have the meanings given in section 62A.673, subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later, except that the amendment to paragraph (d) is effective retroactively from July 1, 2021, and expires when the COVID-19 federal public health emergency ends or July 1, 2023, whichever is earlier. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained and when the amendments to paragraph (d) expire.

Sec. 25. Minnesota Statutes 2020, section 256B.0659, subdivision 19, is amended to read:

Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under personal care assistance choice, the recipient or responsible party shall:

(1) recruit, hire, schedule, and terminate personal care assistants according to the terms of the written agreement required under subdivision 20, paragraph (a);

(2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

(3) orient and train the personal care assistant with assistance as needed from the qualified professional;

(4) ~~effective January 1, 2010,~~ supervise and evaluate the personal care assistant with the qualified professional, who is required to visit the recipient at least every 180 days;

(5) monitor and verify in writing and report to the personal care assistance choice agency the number of hours worked by the personal care assistant and the qualified professional;

(6) engage in an annual ~~face-to-face~~ reassessment as required in subdivision 3a to determine continuing eligibility and service authorization; and

(7) use the same personal care assistance choice provider agency if shared personal assistance care is being used.

(b) The personal care assistance choice provider agency shall:

(1) meet all personal care assistance provider agency standards;

(2) enter into a written agreement with the recipient, responsible party, and personal care assistants;

(3) not be related as a parent, child, sibling, or spouse to the recipient or the personal care assistant; and

(4) ensure arm's-length transactions without undue influence or coercion with the recipient and personal care assistant.

(c) The duties of the personal care assistance choice provider agency are to:

(1) be the employer of the personal care assistant and the qualified professional for employment law and related regulations including~~,~~ but not limited to~~,~~ purchasing and maintaining workers' compensation, unemployment insurance, surety and fidelity bonds, and liability insurance, and submit any or all necessary documentation including~~,~~ but not limited to~~,~~ workers' compensation, unemployment insurance, and labor market data required under section 256B.4912, subdivision 1a;

(2) bill the medical assistance program for personal care assistance services and qualified professional services;

(3) request and complete background studies that comply with the requirements for personal care assistants and qualified professionals;

(4) pay the personal care assistant and qualified professional based on actual hours of services provided;

(5) withhold and pay all applicable federal and state taxes;

(6) verify and keep records of hours worked by the personal care assistant and qualified professional;

(7) make the arrangements and pay taxes and other benefits, if any, and comply with any legal requirements for a Minnesota employer;

(8) enroll in the medical assistance program as a personal care assistance choice agency; and

(9) enter into a written agreement as specified in subdivision 20 before services are provided.

Sec. 26. Minnesota Statutes 2021 Supplement, section 256B.0671, subdivision 6, is amended to read:

Subd. 6. **Dialectical behavior therapy.** (a) Subject to federal approval, medical assistance covers intensive mental health outpatient treatment for dialectical behavior therapy for adults. A dialectical behavior therapy provider must make reasonable and good faith efforts to report individual client outcomes to the commissioner using instruments and protocols that are approved by the commissioner.

(b) "Dialectical behavior therapy" means an evidence-based treatment approach that a mental health professional or clinical trainee provides to a client or a group of clients in an intensive outpatient treatment program using a combination of individualized rehabilitative and psychotherapeutic interventions. A dialectical behavior therapy program involves: individual dialectical behavior therapy, group skills training, telephone coaching, and team consultation meetings.

(c) To be eligible for dialectical behavior therapy, a client must:

~~(1) be 18 years of age or older;~~

~~(2)~~ (1) have mental health needs that available community-based services cannot meet or that the client must receive concurrently with other community-based services;

~~(3)~~ (2) have either:

(i) a diagnosis of borderline personality disorder; or

(ii) multiple mental health diagnoses, exhibit behaviors characterized by impulsivity or intentional self-harm, and be at significant risk of death, morbidity, disability, or severe dysfunction in multiple areas of the client's life;

~~(4)~~ (3) be cognitively capable of participating in dialectical behavior therapy as an intensive therapy program and be able and willing to follow program policies and rules to ensure the safety of the client and others; and

~~(5)~~ (4) be at significant risk of one or more of the following if the client does not receive dialectical behavior therapy:

(i) having a mental health crisis;

(ii) requiring a more restrictive setting such as hospitalization;

(iii) decompensating; or

(iv) engaging in intentional self-harm behavior.

(d) Individual dialectical behavior therapy combines individualized rehabilitative and psychotherapeutic interventions to treat a client's suicidal and other dysfunctional behaviors and to reinforce a client's use of adaptive skillful behaviors. A mental health professional or clinical trainee must provide individual dialectical behavior therapy to a client. A mental health professional or clinical trainee providing dialectical behavior therapy to a client must:

(1) identify, prioritize, and sequence the client's behavioral targets;

(2) treat the client's behavioral targets;

(3) assist the client in applying dialectical behavior therapy skills to the client's natural environment through telephone coaching outside of treatment sessions;

(4) measure the client's progress toward dialectical behavior therapy targets;

(5) help the client manage mental health crises and life-threatening behaviors; and

(6) help the client learn and apply effective behaviors when working with other treatment providers.

(e) Group skills training combines individualized psychotherapeutic and psychiatric rehabilitative interventions conducted in a group setting to reduce the client's suicidal and other dysfunctional coping behaviors and restore function. Group skills training must teach the client adaptive skills in the following areas: (1) mindfulness; (2) interpersonal effectiveness; (3) emotional regulation; and (4) distress tolerance.

(f) Group skills training must be provided by two mental health professionals or by a mental health professional co-facilitating with a clinical trainee or a mental health practitioner. Individual skills training must be provided by a mental health professional, a clinical trainee, or a mental health practitioner.

(g) Before a program provides dialectical behavior therapy to a client, the commissioner must certify the program as a dialectical behavior therapy provider. To qualify for certification as a dialectical behavior therapy provider, a provider must:

(1) allow the commissioner to inspect the provider's program;

(2) provide evidence to the commissioner that the program's policies, procedures, and practices meet the requirements of this subdivision and chapter 245I;

(3) be enrolled as a MHCP provider; and

(4) have a manual that outlines the program's policies, procedures, and practices that meet the requirements of this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 27. Minnesota Statutes 2021 Supplement, section 256B.0911, subdivision 3a, is amended to read:

Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services planning, or other assistance intended to support community-based living, including persons who need assessment ~~in order~~ to determine waiver or alternative care program eligibility, must be visited by a long-term care consultation team within 20 calendar days after the date on which an assessment was requested or recommended. Upon statewide implementation of subdivisions 2b, 2c, and 5, this requirement also applies to an assessment of a person requesting personal care assistance services. The commissioner shall provide at least a 90-day notice to lead agencies prior to the effective date of this requirement. Assessments must be conducted according to paragraphs (b) to (r).

(b) Upon implementation of subdivisions 2b, 2c, and 5, lead agencies shall use certified assessors to conduct the assessment. For a person with complex health care needs, a public health or registered nurse from the team must be consulted.

(c) The MnCHOICES assessment provided by the commissioner to lead agencies must be used to complete a comprehensive, conversation-based, person-centered assessment. The assessment must include the health, psychological, functional, environmental, and social needs of the individual necessary to develop a person-centered community support plan that meets the individual's needs and preferences.

(d) Except as provided in paragraph (r), the assessment must be conducted by a certified assessor in a face-to-face conversational interview with the person being assessed. The person's legal representative must provide input during the assessment process and may do so remotely if requested. At the request of the person, other individuals may participate in the assessment to provide information on the needs, strengths, and preferences of the person necessary to develop a community support plan that ensures the person's health and safety. Except for legal representatives or family members invited by the person, persons participating in the assessment may not be a provider of service or have any financial interest in the provision of services. For persons who are to be assessed for elderly waiver customized living or adult day services under chapter 256S, with the permission of the person being assessed or the person's designated or legal representative, the client's current or proposed provider of services may submit a copy of the provider's nursing assessment or written report outlining its recommendations regarding the client's care needs. The person conducting the assessment must notify the provider of the date by which this information is to be submitted. This information shall be provided to the person conducting the assessment prior to the assessment. For a person who is to be assessed for waiver services under section 256B.092 or 256B.49, with the permission of the person being assessed or the person's designated legal representative, the person's current provider of services may submit a written report outlining recommendations regarding the person's care needs the person completed in consultation with someone who is known to the person and has interaction with the person on a regular basis. The provider must submit the report at least 60 days before the end of the person's current service agreement. The certified assessor must consider the content of the submitted report prior to finalizing the person's assessment or reassessment.

(e) The certified assessor and the individual responsible for developing the coordinated service and support plan must complete the community support plan and the coordinated service and support plan no more than 60 calendar days from the assessment visit. The person or the person's legal representative must be provided with a written community support plan within the timelines established by the commissioner, regardless of whether the person is eligible for Minnesota health care programs.

(f) For a person being assessed for elderly waiver services under chapter 256S, a provider who submitted information under paragraph (d) shall receive the final written community support plan when available and the Residential Services Workbook.

(g) The written community support plan must include:

(1) a summary of assessed needs as defined in paragraphs (c) and (d);

(2) the individual's options and choices to meet identified needs, including:

(i) all available options for case management services and providers;

(ii) all available options for employment services, settings, and providers;

(iii) all available options for living arrangements;

(iv) all available options for self-directed services and supports, including self-directed budget options; and

(v) service provided in a non-disability-specific setting;

(3) identification of health and safety risks and how those risks will be addressed, including personal risk management strategies;

(4) referral information; and

(5) informal caregiver supports, if applicable.

For a person determined eligible for state plan home care under subdivision 1a, paragraph (b), clause (1), the person or person's representative must also receive a copy of the home care service plan developed by the certified assessor.

(h) A person may request assistance in identifying community supports without participating in a complete assessment. Upon a request for assistance identifying community support, the person must be transferred or referred to long-term care options counseling services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for telephone assistance and follow up.

(i) The person has the right to make the final decision:

(1) between institutional placement and community placement after the recommendations have been provided, except as provided in section 256.975, subdivision 7a, paragraph (d);

(2) between community placement in a setting controlled by a provider and living independently in a setting not controlled by a provider;

(3) between day services and employment services; and

(4) regarding available options for self-directed services and supports, including self-directed funding options.

(j) The lead agency must give the person receiving long-term care consultation services or the person's legal representative, materials, and forms supplied by the commissioner containing the following information:

(1) written recommendations for community-based services and consumer-directed options;

(2) documentation that the most cost-effective alternatives available were offered to the individual. For purposes of this clause, "cost-effective" means community services and living arrangements that cost the same as or less than institutional care. For an individual found to meet eligibility criteria for home and community-based service programs under chapter 256S or section 256B.49, "cost-effectiveness" has the meaning found in the federally approved waiver plan for each program;

(3) the need for and purpose of preadmission screening conducted by long-term care options counselors according to section 256.975, subdivisions 7a to 7c, if the person selects nursing facility placement. If the individual selects nursing facility placement, the lead agency shall forward information needed to complete the level of care determinations and screening for developmental disability and mental illness collected during the assessment to the long-term care options counselor using forms provided by the commissioner;

(4) the role of long-term care consultation assessment and support planning in eligibility determination for waiver and alternative care programs, and state plan home care, case management, and other services as defined in subdivision 1a, paragraphs (a), clause (6), and (b);

(5) information about Minnesota health care programs;

(6) the person's freedom to accept or reject the recommendations of the team;

(7) the person's right to confidentiality under the Minnesota Government Data Practices Act, chapter 13;

(8) the certified assessor's decision regarding the person's need for institutional level of care as determined under criteria established in subdivision 4e and the certified assessor's decision regarding eligibility for all services and programs as defined in subdivision 1a, paragraphs (a), clause (6), and (b);

(9) the person's right to appeal the certified assessor's decision regarding eligibility for all services and programs as defined in subdivision 1a, paragraphs (a), clauses (6), (7), and (8), and (b), and incorporating the decision regarding the need for institutional level of care or the lead agency's final decisions regarding public programs eligibility according to section 256.045, subdivision 3. The certified assessor must verbally communicate this appeal right to the person and must visually point out where in the document the right to appeal is stated; and

(10) documentation that available options for employment services, independent living, and self-directed services and supports were described to the individual.

(k) An assessment that is completed as part of an eligibility determination for multiple programs for the alternative care, elderly waiver, developmental disabilities, community access for disability inclusion, community alternative care, and brain injury waiver programs under chapter 256S and sections 256B.0913, 256B.092, and 256B.49 is valid to establish service eligibility for no more than 60 calendar days after the date of the assessment.

(l) The effective eligibility start date for programs in paragraph (k) can never be prior to the date of assessment. If an assessment was completed more than 60 days before the effective waiver or alternative care program eligibility start date, assessment and support plan information must be updated and documented in the department's Medicaid Management Information System (MMIS). Notwithstanding retroactive medical assistance coverage of state plan services, the effective date of eligibility for programs included in paragraph (k) cannot be prior to the date the most recent updated assessment is completed.

(m) If an eligibility update is completed within 90 days of the previous assessment and documented in the department's Medicaid Management Information System (MMIS), the effective date of eligibility for programs included in paragraph (k) is the date of the previous face-to-face assessment when all other eligibility requirements are met.

(n) If a person who receives home and community-based waiver services under section 256B.0913, 256B.092, or 256B.49 or chapter 256S temporarily enters for 121 days or fewer a hospital, institution of mental disease, nursing facility, intensive residential treatment services program, transitional care unit, or inpatient substance use disorder treatment setting, the person may return to the community with home and community-based waiver services under the same waiver, without requiring an assessment or reassessment under this section, unless the person's annual reassessment is otherwise due. Nothing in this paragraph shall change annual long-term care consultation reassessment requirements, payment for institutional or treatment services, medical assistance financial eligibility, or any other law.

(o) At the time of reassessment, the certified assessor shall assess each person receiving waiver residential supports and services currently residing in a community residential setting, licensed adult foster care home that is either not the primary residence of the license holder or in which the license holder is not the primary caregiver, family adult foster care residence, customized living setting, or supervised living facility to determine if that person would prefer to be served in a community-living setting as defined in section 256B.49, subdivision 23, in a setting not controlled by a provider, or to receive integrated community supports as described in section 245D.03, subdivision 1, paragraph (c), clause (8). The certified assessor shall offer the person, through a person-centered planning process, the option to receive alternative housing and service options.

(p) At the time of reassessment, the certified assessor shall assess each person receiving waiver day services to determine if that person would prefer to receive employment services as described in section 245D.03, subdivision 1, paragraph (c), clauses (5) to (7). The certified assessor shall describe to the person through a person-centered planning process the option to receive employment services.

(q) At the time of reassessment, the certified assessor shall assess each person receiving non-self-directed waiver services to determine if that person would prefer an available service and setting option that would permit self-directed services and supports. The certified assessor shall describe to the person through a person-centered planning process the option to receive self-directed services and supports.

(r) All assessments performed according to this subdivision must be face-to-face unless the assessment is a reassessment meeting the requirements of this paragraph. Remote reassessments conducted by interactive video or telephone may substitute for face-to-face reassessments. For services provided by the developmental disabilities waiver under section 256B.092, and the community access for disability inclusion, community alternative care, and brain injury waiver programs under section 256B.49, remote reassessments may be substituted for two consecutive reassessments if followed by a face-to-face reassessment. For services provided by alternative care under section 256B.0913, essential community supports under section 256B.0922, and the elderly waiver under chapter 256S, remote reassessments may be substituted for one reassessment if followed by a face-to-face reassessment. A remote reassessment is permitted only if the person being reassessed~~, or the person's legal representative, and the lead agency case manager both agree that there is no change in the person's condition, there is no need for a change in service, and that a remote reassessment is appropriate~~ or the person's legal representative provide informed choice for a remote assessment. The person being reassessed, or the person's legal representative, has the right to refuse a remote reassessment at any time. During a remote reassessment, if the certified assessor determines a face-to-face reassessment is necessary ~~in order~~ to complete the assessment, the lead agency shall schedule a face-to-face reassessment. All other requirements of a face-to-face reassessment shall apply to a remote reassessment, including updates to a person's support plan.

Sec. 28. Minnesota Statutes 2021 Supplement, section 256B.0946, subdivision 1, is amended to read:

Subdivision 1. **Required covered service components.** (a) Subject to federal approval, medical assistance covers medically necessary intensive treatment services when the services are provided by a provider entity certified under and meeting the standards in this section. 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.

(b) Intensive treatment services to children with mental illness residing in foster family settings that comprise specific required service components provided in clauses (1) to (6) are reimbursed by medical assistance when they meet the following standards:

(1) psychotherapy provided by a mental health professional or a clinical trainee;

(2) crisis planning;

(3) individual, family, and group psychoeducation services provided by a mental health professional or a clinical trainee;

(4) clinical care consultation provided by a mental health professional or a clinical trainee;

(5) individual treatment plan development as defined in ~~Minnesota Rules, part 9505.0371, subpart 7~~ section 245I.10, subdivisions 7 and 8; and

(6) service delivery payment requirements as provided under subdivision 4.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 29. Minnesota Statutes 2021 Supplement, section 256B.0947, subdivision 2, is amended to read:

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

(a) "Intensive nonresidential rehabilitative mental health services" means child rehabilitative mental health services as defined in section 256B.0943, except that these services are provided by a multidisciplinary staff using a total team approach consistent with assertive community treatment, as adapted for youth, and are directed to recipients who are eight years of age or older and under 26 years of age who require intensive services to prevent admission to an inpatient psychiatric hospital or placement in a residential treatment facility or who require intensive services to step down from inpatient or residential care to community-based care.

(b) "Co-occurring mental illness and substance use disorder" means a dual diagnosis of at least one form of mental illness and at least one substance use disorder. Substance use disorders include alcohol or drug abuse or dependence, excluding nicotine use.

(c) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

(d) "Medication education services" means services provided individually or in groups, which focus on:

(1) educating the client and client's family or significant nonfamilial supporters about mental illness and symptoms;

(2) the role and effects of medications in treating symptoms of mental illness; and

(3) the side effects of medications.

Medication education is coordinated with medication management services and does not duplicate it. Medication education services are provided by physicians, pharmacists, or registered nurses with certification in psychiatric and mental health care.

(e) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(f) "Provider agency" means a for-profit or nonprofit organization established to administer an assertive community treatment for youth team.

(g) "Substance use disorders" means one or more of the disorders defined in the diagnostic and statistical manual of mental disorders, current edition.

(h) "Transition services" means:

(1) activities, materials, consultation, and coordination that ensures continuity of the client's care in advance of and in preparation for the client's move from one stage of care or life to another by maintaining contact with the client and assisting the client to establish provider relationships;

(2) providing the client with knowledge and skills needed posttransition;

(3) establishing communication between sending and receiving entities;

(4) supporting a client's request for service authorization and enrollment; and

(5) establishing and enforcing procedures and schedules.

~~A youth's transition from the children's mental health system and services to the adult mental health system and services and return to the client's home and entry or re-entry into community-based mental health services following discharge from an out-of-home placement or inpatient hospital stay.~~

(i) "Treatment team" means all staff who provide services to recipients under this section.

(j) "Family peer specialist" means a staff person who is qualified under section 256B.0616.

Sec. 30. Minnesota Statutes 2021 Supplement, section 256B.0947, subdivision 6, is amended to read:

Subd. 6. **Service standards.** The standards in this subdivision apply to intensive nonresidential rehabilitative mental health services.

(a) The treatment team must use team treatment, not an individual treatment model.

(b) Services must be available at times that meet client needs.

(c) Services must be age-appropriate and meet the specific needs of the client.

(d) The level of care assessment as defined in section 245I.02, subdivision 19, and functional assessment as defined in section 245I.02, subdivision 17, must be updated at least every ~~90 days~~ six months or prior to discharge from the service, whichever comes first.

(e) The treatment team must complete an individual treatment plan for each client, according to section 245I.10, subdivisions 7 and 8, and the individual treatment plan must:

(1) be completed in consultation with the client's current therapist and key providers and provide for ongoing consultation with the client's current therapist to ensure therapeutic continuity and to facilitate the client's return to the community. For clients under the age of 18, the treatment team must consult with parents and guardians in developing the treatment plan;

(2) if a need for substance use disorder treatment is indicated by validated assessment:

(i) identify goals, objectives, and strategies of substance use disorder treatment;

(ii) develop a schedule for accomplishing substance use disorder treatment goals and objectives; and

(iii) identify the individuals responsible for providing substance use disorder treatment services and supports; and

(3) provide for the client's transition out of intensive nonresidential rehabilitative mental health services by defining the team's actions to assist the client and subsequent providers in the transition to less intensive or "stepped down" services~~; and~~.

~~(4) notwithstanding section 245I.10, subdivision 8, be reviewed at least every 90 days and revised to document treatment progress or, if progress is not documented, to document changes in treatment.~~

(f) The treatment team shall actively and assertively engage the client's family members and significant others by establishing communication and collaboration with the family and significant others and educating the family and significant others about the client's mental illness, symptom management, and the family's role in treatment, unless the team knows or has reason to suspect that the client has suffered or faces a threat of suffering any physical or mental injury, abuse, or neglect from a family member or significant other.

(g) For a client age 18 or older, the treatment team may disclose to a family member, other relative, or a close personal friend of the client, or other person identified by the client, the protected health information directly relevant to such person's involvement with the client's care, as provided in Code of Federal Regulations, title 45, part 164.502(b). If the client is present, the treatment team shall obtain the client's agreement, provide the client with an opportunity to object, or reasonably infer from the circumstances, based on the exercise of professional judgment, that the client does not object. If the client is not present or is unable, by incapacity or emergency circumstances, to agree or object, the treatment team may, in the exercise of professional judgment, determine whether the disclosure is in the best interests of the client and, if so, disclose only the protected health information that is directly relevant to the family member's, relative's, friend's, or client-identified person's involvement with the client's health care. The client may orally agree or object to the disclosure and may prohibit or restrict disclosure to specific individuals.

(h) The treatment team shall provide interventions to promote positive interpersonal relationships.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 31. Minnesota Statutes 2021 Supplement, section 256B.0949, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given in this subdivision.

(b) "Agency" means the legal entity that is enrolled with Minnesota health care programs as a medical assistance provider according to Minnesota Rules, part 9505.0195, to provide EIDBI services and that has the legal responsibility to ensure that its employees or contractors carry out the responsibilities defined in this section. Agency includes a licensed individual professional who practices independently and acts as an agency.

(c) "Autism spectrum disorder or a related condition" or "ASD or a related condition" means either autism spectrum disorder (ASD) as defined in the current version of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or a condition that is found to be closely related to ASD, as identified under the current version of the DSM, and meets all of the following criteria:

(1) is severe and chronic;

(2) results in impairment of adaptive behavior and function similar to that of a person with ASD;

(3) requires treatment or services similar to those required for a person with ASD; and

(4) results in substantial functional limitations in three core developmental deficits of ASD: social or interpersonal interaction; functional communication, including nonverbal or social communication; and restrictive or repetitive behaviors or hyperreactivity or hyporeactivity to sensory input; and may include deficits or a high level of support in one or more of the following domains:

(i) behavioral challenges and self-regulation;

(ii) cognition;

(iii) learning and play;

(iv) self-care; or

(v) safety.

(d) "Person" means a person under 21 years of age.

(e) "Clinical supervision" means the overall responsibility for the control and direction of EIDBI service delivery, including individual treatment planning, staff supervision, individual treatment plan progress monitoring, and treatment review for each person. Clinical supervision is provided by a qualified supervising professional (QSP) who takes full professional responsibility for the service provided by each supervisee.

(f) "Commissioner" means the commissioner of human services, unless otherwise specified.

(g) "Comprehensive multidisciplinary evaluation" or "CMDE" means a comprehensive evaluation of a person to determine medical necessity for EIDBI services based on the requirements in subdivision 5.

(h) "Department" means the Department of Human Services, unless otherwise specified.

(i) "Early intensive developmental and behavioral intervention benefit" or "EIDBI benefit" means a variety of individualized, intensive treatment modalities approved and published by the commissioner that are based in behavioral and developmental science consistent with best practices on effectiveness.

(j) "Generalizable goals" means results or gains that are observed during a variety of activities over time with different people, such as providers, family members, other adults, and people, and in different environments including~~,~~ but not limited to~~,~~ clinics, homes, schools, and the community.

(k) "Incident" means when any of the following occur:

(1) an illness, accident, or injury that requires first aid treatment;

(2) a bump or blow to the head; or

(3) an unusual or unexpected event that jeopardizes the safety of a person or staff, including a person leaving the agency unattended.

(l) "Individual treatment plan" or "ITP" means the person-centered, individualized written plan of care that integrates and coordinates person and family information from the CMDE for a person who meets medical necessity for the EIDBI benefit. An individual treatment plan must meet the standards in subdivision 6.

(m) "Legal representative" means the parent of a child who is under 18 years of age, a court-appointed guardian, or other representative with legal authority to make decisions about service for a person. For the purpose of this subdivision, "other representative with legal authority to make decisions" includes a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(n) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(o) "Person-centered" means a service that both responds to the identified needs, interests, values, preferences, and desired outcomes of the person or the person's legal representative and respects the person's history, dignity, and cultural background and allows inclusion and participation in the person's community.

(p) "Qualified EIDBI provider" means a person who is a QSP or a level I, level II, or level III treatment provider.

(q) "Advanced certification" means a person who has completed advanced certification in an approved modality under subdivision 13, paragraph (b).

Sec. 32. Minnesota Statutes 2021 Supplement, section 256B.0949, subdivision 13, is amended to read:

Subd. 13. **Covered services.** (a) The services described in paragraphs (b) to (l) are eligible for reimbursement by medical assistance under this section. Services must be provided by a qualified EIDBI provider and supervised by a QSP. An EIDBI service must address the person's medically necessary treatment goals and must be targeted to develop, enhance, or maintain the individual developmental skills of a person with ASD or a related condition to improve functional communication, including nonverbal or social communication, social or interpersonal interaction, restrictive or repetitive behaviors, hyperreactivity or hyporeactivity to sensory input, behavioral challenges and self-regulation, cognition, learning and play, self-care, and safety.

(b) EIDBI treatment must be delivered consistent with the standards of an approved modality, as published by the commissioner. EIDBI modalities include:

(1) applied behavior analysis (ABA);

(2) developmental individual-difference relationship-based model (DIR/Floortime);

(3) early start Denver model (ESDM);

(4) PLAY project;

(5) relationship development intervention (RDI); or

(6) additional modalities not listed in clauses (1) to (5) upon approval by the commissioner.

(c) An EIDBI provider may use one or more of the EIDBI modalities in paragraph (b), clauses (1) to (5), as the primary modality for treatment as a covered service, or several EIDBI modalities in combination as the primary modality of treatment, as approved by the commissioner. An EIDBI provider that identifies and provides assurance of qualifications for a single specific treatment modality, including an EIDBI provider with advanced certification overseeing implementation, must document the required qualifications to meet fidelity to the specific model in a manner determined by the commissioner.

(d) Each qualified EIDBI provider must identify and provide assurance of qualifications for professional licensure certification, or training in evidence-based treatment methods, and must document the required qualifications outlined in subdivision 15 in a manner determined by the commissioner.

(e) CMDE is a comprehensive evaluation of the person's developmental status to determine medical necessity for EIDBI services and meets the requirements of subdivision 5. The services must be provided by a qualified CMDE provider.

(f) EIDBI intervention observation and direction is the clinical direction and oversight of EIDBI services by the QSP, level I treatment provider, or level II treatment provider, including developmental and behavioral techniques, progress measurement, data collection, function of behaviors, and generalization of acquired skills for the direct benefit of a person. EIDBI intervention observation and direction informs any modification of the current treatment protocol to support the outcomes outlined in the ITP.

(g) Intervention is medically necessary direct treatment provided to a person with ASD or a related condition as outlined in their ITP. All intervention services must be provided under the direction of a QSP. Intervention may take place across multiple settings. The frequency and intensity of intervention services are provided based on the number of treatment goals, person and family or caregiver preferences, and other factors. Intervention services may be provided individually or in a group. Intervention with a higher provider ratio may occur when deemed medically necessary through the person's ITP.

(1) Individual intervention is treatment by protocol administered by a single qualified EIDBI provider delivered to one person.

(2) Group intervention is treatment by protocol provided by one or more qualified EIDBI providers, delivered to at least two people who receive EIDBI services.

(3) Higher provider ratio intervention is treatment with protocol modification provided by two or more qualified EIDBI providers delivered to one person in an environment that meets the person's needs and under the direction of the QSP or level I provider.

(h) ITP development and ITP progress monitoring is development of the initial, annual, and progress monitoring of an ITP. ITP development and ITP progress monitoring documents provide oversight and ongoing evaluation of a person's treatment and progress on targeted goals and objectives and integrate and coordinate the person's and the person's legal representative's information from the CMDE and ITP progress monitoring. This service must be reviewed and completed by the QSP, and may include input from a level I provider or a level II provider.

(i) Family caregiver training and counseling is specialized training and education for a family or primary caregiver to understand the person's developmental status and help with the person's needs and development. This service must be provided by the QSP, level I provider, or level II provider.

(j) A coordinated care conference is a voluntary meeting with the person and the person's family to review the CMDE or ITP progress monitoring and to integrate and coordinate services across providers and service-delivery systems to develop the ITP. This service ~~must be provided by the QSP and~~ may include the CMDE provider ~~or~~, QSP, a level I provider, or a level II provider.

(k) Travel time is allowable billing for traveling to and from the person's home, school, a community setting, or place of service outside of an EIDBI center, clinic, or office from a specified location to provide in-person EIDBI intervention, observation and direction, or family caregiver training and counseling. The person's ITP must specify the reasons the provider must travel to the person.

(l) Medical assistance covers medically necessary EIDBI services and consultations delivered ~~by a licensed health care provider~~ via telehealth, as defined under section 256B.0625, subdivision 3b, in the same manner as if the service or consultation was delivered in person.

Sec. 33. Minnesota Statutes 2020, section 256K.26, subdivision 2, is amended to read:

Subd. 2. **Implementation.** The commissioner, in consultation with the commissioners of the Department of Corrections and the Minnesota Housing Finance Agency, counties, Tribes, providers, and funders of supportive housing and services, shall develop application requirements and make funds available according to this section, with the goal of providing maximum flexibility in program design.

Sec. 34. Minnesota Statutes 2020, section 256K.26, subdivision 6, is amended to read:

Subd. 6. **Outcomes.** Projects will be selected to further the following outcomes:

(1) reduce the number of Minnesota individuals and families that experience long-term homelessness;

(2) increase the number of housing opportunities with supportive services;

(3) develop integrated, cost-effective service models that address the multiple barriers to obtaining housing stability faced by people experiencing long-term homelessness, including abuse, neglect, chemical dependency, disability, chronic health problems, or other factors including ethnicity and race that may result in poor outcomes or service disparities;

(4) encourage partnerships among counties, Tribes, community agencies, schools, and other providers so that the service delivery system is seamless for people experiencing long-term homelessness;

(5) increase employability, self-sufficiency, and other social outcomes for individuals and families experiencing long-term homelessness; and

(6) reduce inappropriate use of emergency health care, shelter, ~~chemical dependency~~ substance use disorder treatment, foster care, child protection, corrections, and similar services used by people experiencing long-term homelessness.

Sec. 35. Minnesota Statutes 2020, section 256K.26, subdivision 7, is amended to read:

Subd. 7. **Eligible services.** Services eligible for funding under this section are all services needed to maintain households in permanent supportive housing, as determined by the ~~county or~~ counties or Tribes administering the project or projects.

Sec. 36. Minnesota Statutes 2021 Supplement, section 256P.01, subdivision 6a, is amended to read:

Subd. 6a. **Qualified professional.** (a) For illness, injury, or incapacity, a "qualified professional" means a licensed physician, physician assistant, advanced practice registered nurse, physical therapist, occupational therapist, or licensed chiropractor, according to their scope of practice.

(b) For developmental disability, learning disability, and intelligence testing, a "qualified professional" means a licensed physician, physician assistant, advanced practice registered nurse, licensed independent clinical social worker, licensed psychologist, certified school psychologist, or certified psychometrist working under the supervision of a licensed psychologist.

(c) For mental health, a "qualified professional" means a licensed physician, advanced practice registered nurse, or qualified mental health professional under section 245I.04, subdivision 2.

(d) For substance use disorder, a "qualified professional" means a licensed physician, a qualified mental health professional under section ~~245.462, subdivision 18, clauses (1) to (6)~~ 245I.04, subdivision 2, or an individual as defined in section 245G.11, subdivision 3, 4, or 5.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 37. Minnesota Statutes 2020, section 256Q.06, is amended by adding a subdivision to read:

Subd. 6. **Account creation.** If an eligible individual is unable to establish the eligible individual's own ABLE account, an ABLE account may be established on behalf of the eligible individual by the eligible individual's agent under a power of attorney or, if none, by the eligible individual's conservator or legal guardian, spouse, parent, sibling, or grandparent or a representative payee appointed for the eligible individual by the Social Security Administration, in that order.

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

Sec. 38. Laws 2020, First Special Session chapter 7, section 1, subdivision 1, as amended by Laws 2021, First Special Session chapter 7, article 2, section 71, is amended to read:

Subdivision 1. **Waivers and modifications; federal funding extension.** When the peacetime emergency declared by the governor in response to the COVID-19 outbreak expires, is terminated, or is rescinded by the proper authority, the following waivers and modifications to human services programs issued by the commissioner of human services pursuant to Executive Orders 20-11 and 20-12 ~~that are required to comply with federal law~~ may remain in effect for the time period set out in applicable federal law or for the time period set out in any applicable federally approved waiver or state plan amendment, whichever is later:

(1) CV15: allowing telephone or video visits for waiver programs;

(2) CV17: preserving health care coverage for Medical Assistance and MinnesotaCare;

(3) CV18: implementation of federal changes to the Supplemental Nutrition Assistance Program;

(4) CV20: eliminating cost-sharing for COVID-19 diagnosis and treatment;

(5) CV24: allowing telephone or video use for targeted case management visits;

(6) CV30: expanding telemedicine in health care, mental health, and substance use disorder settings;

(7) CV37: implementation of federal changes to the Supplemental Nutrition Assistance Program;

(8) CV39: implementation of federal changes to the Supplemental Nutrition Assistance Program;

(9) CV42: implementation of federal changes to the Supplemental Nutrition Assistance Program;

(10) CV43: expanding remote home and community-based waiver services;

(11) CV44: allowing remote delivery of adult day services;

(12) CV59: modifying eligibility period for the federally funded Refugee Cash Assistance Program;

(13) CV60: modifying eligibility period for the federally funded Refugee Social Services Program; and

(14) CV109: providing 15 percent increase for Minnesota Food Assistance Program and Minnesota Family Investment Program maximum food benefits.

Sec. 39. **REVISOR INSTRUCTION.**

In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall change the term "chemical dependency" or similar terms to "substance use disorder." The revisor may make grammatical changes related to the term change.

Sec. 40. **REPEALER.**

(a) Minnesota Statutes 2020, sections 254A.04; and 254B.14, subdivisions 1, 2, 3, 4, and 6, are repealed.

(b) Minnesota Statutes 2021 Supplement, section 254B.14, subdivision 5, is repealed.

ARTICLE 2
COMMUNITY SUPPORTS

Section 1. Minnesota Statutes 2020, section 245D.10, subdivision 3a, is amended to read:

Subd. 3a. **Service termination.** (a) The license holder must establish policies and procedures for service termination that promote continuity of care and service coordination with the person and the case manager and with other licensed caregivers, if any, who also provide support to the person. The policy must include the requirements specified in paragraphs (b) to (f).

(b) The license holder must permit each person to remain in the program or to continue receiving services and must not terminate services unless:

(1) the termination is necessary for the person's welfare and the ~~facility~~ license holder cannot meet the person's needs;

(2) the safety of the person ~~or~~, others in the program, or staff is endangered and positive support strategies were attempted and have not achieved and effectively maintained safety for the person or others;

(3) the health of the person ~~or~~, others in the program, or staff would otherwise be endangered;

(4) the ~~program~~ license holder has not been paid for services;

(5) the program or license holder ceases to operate;

(6) the person has been terminated by the lead agency from waiver eligibility; or

(7) for state-operated community-based services, the person no longer demonstrates complex behavioral needs that cannot be met by private community-based providers identified in section 252.50, subdivision 5, paragraph (a), clause (1).

(c) Prior to giving notice of service termination, the license holder must document actions taken to minimize or eliminate the need for termination. Action taken by the license holder must include, at a minimum:

(1) consultation with the person's support team or expanded support team to identify and resolve issues leading to issuance of the termination notice;

(2) a request to the case manager for intervention services identified in section 245D.03, subdivision 1, paragraph (c), clause (1), or other professional consultation or intervention services to support the person in the program. This requirement does not apply to notices of service termination issued under paragraph (b), clauses (4) and (7); and

(3) for state-operated community-based services terminating services under paragraph (b), clause (7), the state-operated community-based services must engage in consultation with the person's support team or expanded support team to:

(i) identify that the person no longer demonstrates complex behavioral needs that cannot be met by private community-based providers identified in section 252.50, subdivision 5, paragraph (a), clause (1);

(ii) provide notice of intent to issue a termination of services to the lead agency when a finding has been made that a person no longer demonstrates complex behavioral needs that cannot be met by private community-based providers identified in section 252.50, subdivision 5, paragraph (a), clause (1);

(iii) assist the lead agency and case manager in developing a person-centered transition plan to a private community-based provider to ensure continuity of care; and

(iv) coordinate with the lead agency to ensure the private community-based service provider is able to meet the person's needs and criteria established in a person's person-centered transition plan.

If, based on the best interests of the person, the circumstances at the time of the notice were such that the license holder was unable to take the action specified in clauses (1) and (2), the license holder must document the specific circumstances and the reason for being unable to do so.

(d) The notice of service termination must meet the following requirements:

(1) the license holder must notify the person or the person's legal representative and the case manager in writing of the intended service termination. If the service termination is from residential supports and services as defined in section 245D.03, subdivision 1, paragraph (c), clause (3), the license holder must also notify the commissioner in writing; and

(2) the notice must include:

(i) the reason for the action;

(ii) except for a service termination under paragraph (b), clause (5), a summary of actions taken to minimize or eliminate the need for service termination or temporary service suspension as required under paragraph (c), and why these measures failed to prevent the termination or suspension;

(iii) the person's right to appeal the termination of services under section 256.045, subdivision 3, paragraph (a); and

(iv) the person's right to seek a temporary order staying the termination of services according to the procedures in section 256.045, subdivision 4a or 6, paragraph (c).

(e) Notice of the proposed termination of service, including those situations that began with a temporary service suspension, must be given at least 90 days prior to termination of services under paragraph (b), clause (7), 60 days prior to termination when a license holder is providing intensive supports and services identified in section 245D.03, subdivision 1, paragraph (c), and 30 days prior to termination for all other services licensed under this chapter. This notice may be given in conjunction with a notice of temporary service suspension under subdivision 3.

(f) During the service termination notice period, the license holder must:

(1) work with the support team or expanded support team to develop reasonable alternatives to protect the person and others and to support continuity of care;

(2) provide information requested by the person or case manager; and

(3) maintain information about the service termination, including the written notice of intended service termination, in the service recipient record.

(g) For notices issued under paragraph (b), clause (7), the lead agency shall provide notice to the commissioner and state-operated services at least 30 days before the conclusion of the 90-day termination period, if an appropriate alternative provider cannot be secured. Upon receipt of this notice, the commissioner and state-operated services shall reassess whether a private community-based service can meet the person's needs. If the commissioner determines that a private provider can meet the person's needs, state-operated services shall, if necessary, extend notice of service termination until placement can be made. If the commissioner determines that a private provider cannot meet the person's needs, state-operated services shall rescind the notice of service termination and re-engage with the lead agency in service planning for the person.

(h) For state-operated community-based services, the license holder shall prioritize the capacity created within the existing service site by the termination of services under paragraph (b), clause (7), to serve persons described in section 252.50, subdivision 5, paragraph (a), clause (1).

Sec. 2. Minnesota Statutes 2020, section 256.01, is amended by adding a subdivision to read:

Subd. 12b. **Department of Human Services systemic critical incident review team.** (a) The commissioner may establish a Department of Human Services systemic critical incident review team to review required critical incident reports under section 626.557 for which the Department of Human Services is responsible under section 626.5572, subdivision 13; chapter 245D; or Minnesota Rules, chapter 9544. When reviewing a critical incident, the systemic critical incident review team must identify systemic influences to the incident rather than determining the culpability of any actors involved in the incident. The systemic critical incident review may assess the entire critical incident process from the point of an entity reporting the critical incident through the ongoing case management process. Department staff must lead and conduct the reviews and may utilize county staff as reviewers. The systemic critical incident review process may include but is not limited to:

(1) data collection about the incident and actors involved. Data may include the critical incident report under review; previous incident reports pertaining to the person receiving services; the service provider's policies and procedures applicable to the incident; the coordinated service and support plan as defined in section 245D.02, subdivision 4b, for the person receiving services; or an interview of an actor involved in the critical incident or the review of the critical incident. Actors may include:

(i) staff of the provider agency;

(ii) lead agency staff administering home and community-based services delivered by the provider;

(iii) Department of Human Services staff with oversight of home and community-based services;

(iv) Department of Health staff with oversight of home and community-based services;

(v) members of the community including advocates, legal representatives, health care providers, pharmacy staff, or others with knowledge of the incident or the actors in the incident; and

(vi) staff from the Office of the Ombudsman for Mental Health and Developmental Disabilities;

(2) systemic mapping of the critical incident. The team conducting the systemic mapping of the incident may include any actors identified in clause (1), designated representatives of other provider agencies, regional teams, and representatives of the local regional quality council identified in section 256B.097; and

(3) analysis of the case for systemic influences.

(b) The critical incident review team must aggregate data collected and provide the aggregated data to regional teams, participating regional quality councils, and the commissioner. The regional teams and quality councils must analyze the data and make recommendations to the commissioner regarding systemic changes that would decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

(c) A selection committee must select cases for the systemic critical incident review process from among the following critical incident categories:

(1) cases of caregiver neglect identified in section 626.5572, subdivision 17;

(2) cases involving financial exploitation identified in section 626.5572, subdivision 9;

(3) incidents identified in section 245D.02, subdivision 11;

(4) incidents identified in Minnesota Rules, part 9544.0110; and

(5) service terminations reported to the department in accordance with section 245D.10, subdivision 3a.

(d) The systemic critical incident review under this section must not replace the process for screening or investigating cases of alleged maltreatment of an adult under section 626.557. The department, under the jurisdiction of the commissioner, may select for systemic critical incident review cases reported for suspected maltreatment and closed following initial or final disposition.

(e) The proceedings and records of the review team are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13. Data that document a person's opinions formed as a result of the review are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state, or a county agency arising out of the matters that the team is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because the information, documents, and records were assessed or presented during review team proceedings. A person who presented information before the systemic critical incident review team or who is a member of the team must not be prevented from testifying about matters within the person's knowledge. In a civil or criminal proceeding, a person must not be questioned about opinions formed by the person as a result of the review.

(f) By October 1 of each year, the commissioner shall prepare an annual public report containing the following information:

(1) the number of cases reviewed under each critical incident category identified in paragraph (b) and a geographical description of where cases under each category originated;

(2) an aggregate summary of the systemic themes from the critical incidents examined by the critical incident review team during the previous year;

(3) a synopsis of the conclusions, incident analyses, or exploratory activities taken in regard to the critical incidents examined by the critical incident review team; and

(4) recommendations made to the commissioner regarding systemic changes that could decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

Sec. 3. Minnesota Statutes 2020, section 256.045, subdivision 3, is amended to read:

Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

(1) any person applying for, receiving or having received public assistance, medical care, or a program of social services granted by the state agency or a county agency or the federal Food and Nutrition Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

(2) any patient or relative aggrieved by an order of the commissioner under section 252.27;

(3) a party aggrieved by a ruling of a prepaid health plan;

(4) except as provided under chapter 245C, any individual or facility determined by a lead investigative agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557;

(5) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under chapter 260E is denied or not acted upon with reasonable promptness, regardless of funding source;

(6) any person to whom a right of appeal according to this section is given by other provision of law;

(7) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15;

(8) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

(9) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under chapter 260E, after the individual or facility has exercised the right to administrative reconsideration under chapter 260E;

(10) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 260E.06, subdivision 1, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or (9) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment;

(11) any person with an outstanding debt resulting from receipt of public assistance, medical care, or the federal Food and Nutrition Act who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt;

(12) a person issued a notice of service termination under section 245D.10, subdivision 3a, ~~from~~ by a licensed provider of any residential supports ~~and~~ or services ~~as defined~~ listed in section 245D.03, subdivision 1, ~~paragraph~~ paragraphs (b) and (c), ~~clause (3),~~ that is not otherwise subject to appeal under subdivision 4a;

(13) an individual disability waiver recipient based on a denial of a request for a rate exception under section 256B.4914; or

(14) a person issued a notice of service termination under section 245A.11, subdivision 11, that is not otherwise subject to appeal under subdivision 4a.

(b) The hearing for an individual or facility under paragraph (a), clause (4), (9), or (10), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under paragraph (a), clause (9), apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under paragraph (a), clauses (4), (9), and (10), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (5), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

(e) The scope of hearings under paragraph (a), clauses (12) and (14), shall be limited to whether the proposed termination of services is authorized under section 245D.10, subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a, paragraphs (d) to (f), were met. If the appeal includes a request for a temporary stay of termination of services, the scope of the hearing shall also include whether the case management provider has finalized arrangements for a residential facility, a program, or services that will meet the assessed needs of the recipient by the effective date of the service termination.

(f) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

(g) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

(h) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

(i) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice

of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Sec. 4. Minnesota Statutes 2020, section 256B.0651, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of sections 256B.0651 to 256B.0654 and 256B.0659, the terms in paragraphs (b) to ~~(g)~~ (i) have the meanings given.

(b) "Activities of daily living" has the meaning given in section 256B.0659, subdivision 1, paragraph (b).

(c) "Assessment" means a review and evaluation of a recipient's need for home care services conducted in person.

(d) "Care coordination" means a service performed by a licensed professional to coordinate both skilled and unskilled home care services, except personal care assistance, for a recipient, and may include documentation and coordination activities not carried out in conjunction with a care evaluation visit.

(e) "Care evaluation" means a start-of-care visit, a resumption-of-care visit, or a recertification visit that is a face-to-face assessment of a person by a licensed professional to develop, update, or review the service plan for both skilled and unskilled home care services, except personal care assistance.

~~(d)~~ (f) "Home care services" means medical assistance covered services that are home health agency services, including skilled nurse visits; home health aide visits; physical therapy, occupational therapy, respiratory therapy, and language-speech pathology therapy; home care nursing; and personal care assistance.

~~(e)~~ (g) "Home residence," effective January 1, 2010, means a residence owned or rented by the recipient either alone, with roommates of the recipient's choosing, or with an unpaid responsible party or legal representative; or a family foster home where the license holder lives with the recipient and is not paid to provide home care services for the recipient except as allowed under sections 256B.0652, subdivision 10, and 256B.0654, subdivision 4.

~~(f)~~ (h) "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475.

~~(g)~~ (i) "Ventilator-dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to be or has been dependent on a ventilator for at least 30 consecutive days.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2020, section 256B.0651, subdivision 2, is amended to read:

Subd. 2. **Services covered.** Home care services covered under this section and sections 256B.0652 to 256B.0654 and 256B.0659 include:

(1) care coordination services under subdivision 1, paragraph (d);

(2) care evaluation services under subdivision 1, paragraph (e);

~~(1)~~ (3) nursing services under sections 256B.0625, subdivision 6a, and 256B.0653;

~~(2)~~ (4) home care nursing services under sections 256B.0625, subdivision 7, and 256B.0654;

~~(3)~~ (5) home health services under sections 256B.0625, subdivision 6a, and 256B.0653;

~~(4)~~ (6) personal care assistance services under sections 256B.0625, subdivision 19a, and 256B.0659;

~~(5)~~ (7) supervision of personal care assistance services provided by a qualified professional under sections 256B.0625, subdivision 19a, and 256B.0659;

~~(6)~~ (8) face-to-face assessments by county public health nurses for services under sections 256B.0625, subdivision 19a, and 256B.0659; and

~~(7)~~ (9) service updates and review of temporary increases for personal care assistance services by the county public health nurse for services under sections 256B.0625, subdivision 19a, and 256B.0659.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2020, section 256B.0652, subdivision 11, is amended to read:

Subd. 11. **Limits on services without authorization.** A recipient may receive the following home care services during a calendar year:

(1) up to two face-to-face assessments to determine a recipient's need for personal care assistance services;

(2) one service update done to determine a recipient's need for personal care assistance services; ~~and~~

(3) up to nine face-to-face visits that may include both skilled nurse visits~~.~~ and care evaluations; and

(4) up to four 15-minute units of care coordination per episode of care to coordinate home health services for a recipient.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2020, section 256B.0653, subdivision 6, is amended to read:

Subd. 6. **Noncovered home health agency services.** The following are not eligible for payment under medical assistance as a home health agency service:

(1) telehomecare skilled nurses services that is communication between the home care nurse and recipient that consists solely of a telephone conversation, facsimile, electronic mail, or a consultation between two health care practitioners;

(2) the following skilled nurse visits:

(i) for the purpose of monitoring medication compliance with an established medication program for a recipient;

(ii) administering or assisting with medication administration, including injections, prefilling syringes for injections, or oral medication setup of an adult recipient, when, as determined and documented by the registered nurse, the need can be met by an available pharmacy or the recipient or a family member is physically and mentally able to self-administer or prefill a medication;

(iii) services done for the sole purpose of supervision of the home health aide or personal care assistant;

(iv) services done for the sole purpose to train other home health agency workers;

(v) services done for the sole purpose of blood samples or lab draw when the recipient is able to access these services outside the home; and

(vi) Medicare evaluation or administrative nursing visits required by Medicare, with the exception of care evaluation as defined in section 256B.0651, subdivision 1, paragraph (e);

(3) home health aide visits when the following activities are the sole purpose for the visit: companionship, socialization, household tasks, transportation, and education;

(4) home care therapies provided in other settings such as a clinic or as an inpatient or when the recipient can access therapy outside of the recipient's residence; and

(5) home health agency services without qualifying documentation of a face-to-face encounter as specified in subdivision 7.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2020, section 256B.0659, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in paragraphs (b) to (r) have the meanings given unless otherwise provided in text.

(b) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility, positioning, eating, and toileting.

(c) "Behavior," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section. "Level I behavior" means physical aggression ~~towards~~ toward self, others, or destruction of property that requires the immediate response of another person.

(d) "Complex health-related needs," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section.

(e) "Critical activities of daily living," effective January 1, 2010, means transferring, mobility, eating, and toileting.

(f) "Dependency in activities of daily living" means a person requires assistance to begin and complete one or more of the activities of daily living.

(g) "Extended personal care assistance service" means personal care assistance services included in a service plan under one of the home and community-based services waivers authorized under chapter 256S and sections 256B.092, subdivision 5, and 256B.49, which exceed the amount, duration, and frequency of the state plan personal care assistance services for participants who:

(1) need assistance provided periodically during a week, but less than daily will not be able to remain in their homes without the assistance, and other replacement services are more expensive or are not available when personal care assistance services are to be reduced; or

(2) need additional personal care assistance services beyond the amount authorized by the state plan personal care assistance assessment in order to ensure that their safety, health, and welfare are provided for in their homes.

(h) "Health-related procedures and tasks" means procedures and tasks that can be delegated or assigned by a licensed health care professional under state law to be performed by a personal care assistant.

(i) "Instrumental activities of daily living" means activities to include meal planning and preparation; basic assistance with paying bills; shopping for food, clothing, and other essential items; performing household tasks integral to the personal care assistance services; communication by telephone and other media; and traveling, including to medical appointments and to participate in the community. For purposes of this paragraph, traveling includes driving and accompanying the recipient in the recipient's chosen mode of transportation and according to the recipient's personal care assistance care plan.

(j) "Managing employee" has the same definition as Code of Federal Regulations, title 42, section 455.

(k) "Qualified professional" means a professional providing supervision of personal care assistance services and staff as defined in section 256B.0625, subdivision 19c.

(l) "Personal care assistance provider agency" means a medical assistance enrolled provider that provides or assists with providing personal care assistance services and includes a personal care assistance provider organization, personal care assistance choice agency, class A licensed nursing agency, and Medicare-certified home health agency.

(m) "Personal care assistant" or "PCA" means an individual employed by a personal care assistance agency who provides personal care assistance services.

(n) "Personal care assistance care plan" means a written description of personal care assistance services developed by the personal care assistance provider according to the service plan.

(o) "Responsible party" means an individual who is capable of providing the support necessary to assist the recipient to live in the community.

(p) "Self-administered medication" means medication taken orally, by injection, nebulizer, or insertion, or applied topically without the need for assistance.

(q) "Service plan" means a written summary of the assessment and description of the services needed by the recipient.

(r) "Wages and benefits" means wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and contributions to employee retirement accounts.

EFFECTIVE DATE. This section is effective within 90 days of federal approval. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 9. Minnesota Statutes 2020, section 256B.0659, subdivision 12, is amended to read:

Subd. 12. **Documentation of personal care assistance services provided.** (a) Personal care assistance services for a recipient must be documented daily by each personal care assistant, on a time sheet form approved by the commissioner. All documentation may be web-based, electronic, or paper documentation. The completed form must be submitted on a monthly basis to the provider and kept in the recipient's health record.

(b) The activity documentation must correspond to the personal care assistance care plan and be reviewed by the qualified professional.

(c) The personal care assistant time sheet must be on a form approved by the commissioner documenting time the personal care assistant provides services in the home. The following criteria must be included in the time sheet:

(1) full name of personal care assistant and individual provider number;

(2) provider name and telephone numbers;

(3) full name of recipient and either the recipient's medical assistance identification number or date of birth;

(4) consecutive dates, including month, day, and year, and arrival and departure times with a.m. or p.m. notations;

(5) signatures of recipient or the responsible party;

(6) personal signature of the personal care assistant;

(7) any shared care provided, if applicable;

(8) a statement that it is a federal crime to provide false information on personal care service billings for medical assistance payments; ~~and~~

(9) dates and location of recipient stays in a hospital, care facility, or incarceration; and

(10) any time spent traveling, as described in subdivision 1, paragraph (i), including start and stop times with a.m. and p.m. designations, the origination site, and the destination site.

EFFECTIVE DATE. This section is effective within 90 days of federal approval. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2020, section 256B.0659, subdivision 19, is amended to read:

Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under personal care assistance choice, the recipient or responsible party shall:

(1) recruit, hire, schedule, and terminate personal care assistants according to the terms of the written agreement required under subdivision 20, paragraph (a);

(2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

(3) orient and train the personal care assistant with assistance as needed from the qualified professional;

(4) ~~effective January 1, 2010,~~ supervise and evaluate the personal care assistant with the qualified professional, who is required to visit the recipient at least every 180 days;

(5) monitor and verify in writing and report to the personal care assistance choice agency the number of hours worked by the personal care assistant and the qualified professional;

(6) engage in an annual face-to-face reassessment to determine continuing eligibility and service authorization; ~~and~~

(7) use the same personal care assistance choice provider agency if shared personal assistance care is being used; and

(8) ensure that a personal care assistant driving the recipient under subdivision 1, paragraph (i), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

(b) The personal care assistance choice provider agency shall:

(1) meet all personal care assistance provider agency standards;

(2) enter into a written agreement with the recipient, responsible party, and personal care assistants;

(3) not be related as a parent, child, sibling, or spouse to the recipient or the personal care assistant; and

(4) ensure arm's-length transactions without undue influence or coercion with the recipient and personal care assistant.

(c) The duties of the personal care assistance choice provider agency are to:

(1) be the employer of the personal care assistant and the qualified professional for employment law and related regulations including, but not limited to, purchasing and maintaining workers' compensation, unemployment insurance, surety and fidelity bonds, and liability insurance, and submit any or all necessary documentation including, but not limited to, workers' compensation, unemployment insurance, and labor market data required under section 256B.4912, subdivision 1a;

(2) bill the medical assistance program for personal care assistance services and qualified professional services;

(3) request and complete background studies that comply with the requirements for personal care assistants and qualified professionals;

(4) pay the personal care assistant and qualified professional based on actual hours of services provided;

(5) withhold and pay all applicable federal and state taxes;

(6) verify and keep records of hours worked by the personal care assistant and qualified professional;

(7) make the arrangements and pay taxes and other benefits, if any, and comply with any legal requirements for a Minnesota employer;

(8) enroll in the medical assistance program as a personal care assistance choice agency; and

(9) enter into a written agreement as specified in subdivision 20 before services are provided.

EFFECTIVE DATE. This section is effective within 90 days of federal approval. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2020, section 256B.0659, subdivision 24, is amended to read:

Subd. 24. **Personal care assistance provider agency; general duties.** A personal care assistance provider agency shall:

(1) enroll as a Medicaid provider meeting all provider standards, including completion of the required provider training;

(2) comply with general medical assistance coverage requirements;

(3) demonstrate compliance with law and policies of the personal care assistance program to be determined by the commissioner;

(4) comply with background study requirements;

(5) verify and keep records of hours worked by the personal care assistant and qualified professional;

(6) not engage in any agency-initiated direct contact or marketing in person, by phone, or other electronic means to potential recipients, guardians, or family members;

(7) pay the personal care assistant and qualified professional based on actual hours of services provided;

(8) withhold and pay all applicable federal and state taxes;

(9) document that the agency uses a minimum of 72.5 percent of the revenue generated by the medical assistance rate for personal care assistance services for employee personal care assistant wages and benefits. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation;

(10) make the arrangements and pay unemployment insurance, taxes, workers' compensation, liability insurance, and other benefits, if any;

(11) enter into a written agreement under subdivision 20 before services are provided;

(12) report suspected neglect and abuse to the common entry point according to section 256B.0651;

(13) provide the recipient with a copy of the home care bill of rights at start of service;

(14) request reassessments at least 60 days prior to the end of the current authorization for personal care assistance services, on forms provided by the commissioner;

(15) comply with the labor market reporting requirements described in section 256B.4912, subdivision 1a; ~~and~~

(16) document that the agency uses the additional revenue due to the enhanced rate under subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements under subdivision 11, paragraph (d); and

(17) ensure that a personal care assistant driving a recipient under subdivision 1, paragraph (i), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

EFFECTIVE DATE. This section is effective within 90 days of federal approval. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2020, section 256B.4911, is amended by adding a subdivision to read:

Subd. 6. **Services provided by parents and spouses.** (a) Upon federal approval, 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 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;

(6) elderly waiver; and

(7) Minnesota senior health option.

(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 personal assistance 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 personal assistance services in a seven-day period regardless of the number of children served.

(e) If a spouse is providing personal assistance services, the spouse may provide up to 60 hours of personal assistance services in a seven-day period.

(f) 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 July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2020, section 256B.4914, subdivision 8, as amended by Laws 2022, chapter 33, section 1, is amended to read:

Subd. 8. **Unit-based services with programming; component values and calculation of payment rates.** (a) For the purpose of this section, unit-based services with programming include employment exploration services, employment development services, employment support services, individualized home supports with family training, individualized home supports with training, and positive support services provided to an individual outside of any service plan for a day program or residential support service.

(b) Component values for unit-based services with programming are:

(1) competitive workforce factor: 4.7 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 15.5 percent;

(6) client programming and support ratio: 4.7 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 6.1 percent; and

(9) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for unit-based services with programming is 15 minutes.

(d) Payments for unit-based services with programming must be calculated as follows, unless the services are reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) this is the subtotal rate;

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount;

(14) for services provided in a shared manner, divide the total payment in clause (13) as follows:

(i) for employment exploration services, divide by the number of service recipients, not to exceed five;

(ii) for employment support services, divide by the number of service recipients, not to exceed six; and

(iii) for individualized home supports with training and individualized home supports with family training, divide by the number of service recipients, not to exceed ~~two~~ three; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever occurs later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 14. Minnesota Statutes 2020, section 256B.4914, subdivision 9, as amended by Laws 2022, chapter 33, section 1, is amended to read:

Subd. 9. **Unit-based services without programming; component values and calculation of payment rates.** (a) For the purposes of this section, unit-based services without programming include individualized home supports without training and night supervision provided to an individual outside of any service plan for a day program or residential support service. Unit-based services without programming do not include respite.

(b) Component values for unit-based services without programming are:

(1) competitive workforce factor: 4.7 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 7.0 percent;

(6) client programming and support ratio: 2.3 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 2.9 percent; and

(9) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for unit-based services without programming is 15 minutes.

(d) Payments for unit-based services without programming must be calculated as follows unless the services are reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 to 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) this is the subtotal rate;

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount;

(14) for individualized home supports without training provided in a shared manner, divide the total payment amount in clause (13) by the number of service recipients, not to exceed ~~two~~ three; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever occurs later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 15. Minnesota Statutes 2021 Supplement, section 256B.85, subdivision 7, is amended to read:

Subd. 7. **Community first services and supports; covered services.** Services and supports covered under CFSS include:

(1) assistance to accomplish activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related procedures and tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task;

(2) assistance to acquire, maintain, or enhance the skills necessary for the participant to accomplish activities of daily living, instrumental activities of daily living, or health-related tasks;

(3) expenditures for items, services, supports, environmental modifications, or goods, including assistive technology. These expenditures must:

(i) relate to a need identified in a participant's CFSS service delivery plan; and

(ii) increase independence or substitute for human assistance, to the extent that expenditures would otherwise be made for human assistance for the participant's assessed needs;

(4) observation and redirection for behavior or symptoms where there is a need for assistance;

(5) back-up systems or mechanisms, such as the use of pagers or other electronic devices, to ensure continuity of the participant's services and supports;

(6) services provided by a consultation services provider as defined under subdivision 17, that is under contract with the department and enrolled as a Minnesota health care program provider;

(7) services provided by an FMS provider as defined under subdivision 13a, that is an enrolled provider with the department;

(8) CFSS services provided by a support worker who is a parent, stepparent, or legal guardian of a participant under age 18, or who is the participant's spouse. ~~These support workers shall not:~~ Covered services under this clause are subject to the limitations described in subdivision 7b; and

~~(i) provide any medical assistance home and community-based services in excess of 40 hours per seven-day period regardless of the number of parents providing services, combination of parents and spouses providing services, or number of children who receive medical assistance services; and~~

~~(ii) have a wage that exceeds the current rate for a CFSS support worker including the wage, benefits, and payroll taxes; and~~

(9) worker training and development services as described in subdivision 18a.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. Minnesota Statutes 2020, section 256B.85, is amended by adding a subdivision to read:

Subd. 7b. **Services provided by parents and spouses.** (a) This subdivision applies to services and supports described in subdivision 7, clause (8).

(b) If multiple parents are support workers providing CFSS services to their minor child or children, each parent may provide up to 40 hours of medical assistance home and community-based 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.

(c) If only one parent is a support worker providing CFSS services to the parent's 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.

(d) If a spouse is a support worker providing CFSS services, the spouse may provide up to 60 hours of medical assistance home and community-based services in a seven-day period.

(e) Paragraphs (b) to (d) must not be construed to permit an increase in either the total authorized service budget for an individual or the total number of authorized service units.

(f) A parent or spouse must not receive a wage that exceeds the current rate for a CFSS support worker, including the wage, benefits, and payroll taxes.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2021 Supplement, section 256B.85, subdivision 8, is amended to read:

Subd. 8. **Determination of CFSS service authorization amount.** (a) All community first services and supports must be authorized by the commissioner or the commissioner's designee before services begin. The authorization for CFSS must be completed as soon as possible following an assessment but no later than 40 calendar days from the date of the assessment.

(b) The amount of CFSS authorized must be based on the participant's home care rating described in paragraphs (d) and (e) and any additional service units for which the participant qualifies as described in paragraph (f).

(c) The home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner identifying the following for a participant:

(1) the total number of dependencies of activities of daily living;

(2) the presence of complex health-related needs; and

(3) the presence of Level I behavior.

(d) The methodology to determine the total service units for CFSS for each home care rating is based on the median paid units per day for each home care rating from fiscal year 2007 data for the PCA program.

(e) Each home care rating is designated by the letters P through Z and EN and has the following base number of service units assigned:

(1) P home care rating requires Level I behavior or one to three dependencies in ADLs and qualifies the person for five service units;

(2) Q home care rating requires Level I behavior and one to three dependencies in ADLs and qualifies the person for six service units;

(3) R home care rating requires a complex health-related need and one to three dependencies in ADLs and qualifies the person for seven service units;

(4) S home care rating requires four to six dependencies in ADLs and qualifies the person for ten service units;

(5) T home care rating requires four to six dependencies in ADLs and Level I behavior and qualifies the person for 11 service units;

(6) U home care rating requires four to six dependencies in ADLs and a complex health-related need and qualifies the person for 14 service units;

(7) V home care rating requires seven to eight dependencies in ADLs and qualifies the person for 17 service units;

(8) W home care rating requires seven to eight dependencies in ADLs and Level I behavior and qualifies the person for 20 service units;

(9) Z home care rating requires seven to eight dependencies in ADLs and a complex health-related need and qualifies the person for 30 service units; and

(10) EN home care rating includes ventilator dependency as defined in section 256B.0651, subdivision 1, paragraph ~~(g)~~ (i). A person who meets the definition of ventilator-dependent and the EN home care rating and utilize a combination of CFSS and home care nursing services is limited to a total of 96 service units per day for those services in combination. Additional units may be authorized when a person's assessment indicates a need for two staff to perform activities. Additional time is limited to 16 service units per day.

(f) Additional service units are provided through the assessment and identification of the following:

(1) 30 additional minutes per day for a dependency in each critical activity of daily living;

(2) 30 additional minutes per day for each complex health-related need; and

(3) 30 additional minutes per day for each behavior under this clause that requires assistance at least four times per week:

(i) level I behavior that requires the immediate response of another person;

(ii) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or

(iii) increased need for assistance for participants who are verbally aggressive or resistive to care so that the time needed to perform activities of daily living is increased.

(g) The service budget for budget model participants shall be based on:

(1) assessed units as determined by the home care rating; and

(2) an adjustment needed for administrative expenses.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 18. Minnesota Statutes 2021 Supplement, section 256B.851, subdivision 5, is amended to read:

Subd. 5. **Payment rates; component values.** (a) The commissioner must use the following component values:

(1) employee vacation, sick, and training factor, 8.71 percent;

(2) employer taxes and workers' compensation factor, 11.56 percent;

(3) employee benefits factor, 12.04 percent;

(4) client programming and supports factor, 2.30 percent;

(5) program plan support factor, 7.00 percent;

(6) general business and administrative expenses factor, 13.25 percent;

(7) program administration expenses factor, 2.90 percent; and

(8) absence and utilization factor, 3.90 percent.

(b) For purposes of implementation, the commissioner shall use the following implementation components:

(1) personal care assistance services and CFSS: ~~75.45~~ 79.5 percent;

(2) enhanced rate personal care assistance services and enhanced rate CFSS: ~~75.45~~ 79.5 percent; and

(3) qualified professional services and CFSS worker training and development: ~~75.45~~ 79.5 percent.

EFFECTIVE DATE. This section is effective January 1, 2023, or 60 days following federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 19. Minnesota Statutes 2020, section 256I.04, subdivision 3, is amended to read:

Subd. 3. **Moratorium on development of housing support beds.** (a) Agencies shall not enter into agreements for new housing support beds with total rates in excess of the MSA equivalent rate except:

(1) for establishments licensed under chapter 245D provided the facility is needed to meet the census reduction targets for persons with developmental disabilities at regional treatment centers;

(2) up to 80 beds in a single, specialized facility located in Hennepin County that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication, and planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the Housing Finance Agency under section 462A.05, subdivision 20a, paragraph (b);

(3) notwithstanding the provisions of subdivision 2a, for up to ~~226~~ 500 supportive housing units in Anoka, Carver, Dakota, Hennepin, ~~or~~ Ramsey, Scott, or Washington County for homeless adults with a disability, including but not limited to mental illness, a history of substance abuse, or human immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this ~~section~~ clause, "homeless adult" means a person who is: (i) living on the street or in a shelter; or (ii) discharged from a regional treatment center, community hospital, or residential treatment program and has no appropriate housing available and lacks the resources and support necessary to access appropriate housing. ~~At least 70 percent of the supportive housing units must serve homeless adults with mental illness, substance abuse problems, or human immunodeficiency virus or acquired immunodeficiency syndrome who are about to be or, within the previous six months, have been discharged from a regional treatment center, or a state contracted psychiatric bed in a community hospital, or a residential mental health or chemical dependency treatment program.~~ If a person meets the requirements of subdivision 1, paragraph (a) or (b), and receives a federal or state housing subsidy, the housing support rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a~~, and is determined by subtracting the amount of the person's countable income that exceeds the MSA equivalent rate from the housing support supplementary service rate~~. A resident in a demonstration project site who no longer participates in the demonstration program shall retain eligibility for a housing support payment in an amount determined under section 256I.06, subdivision 8, using the MSA equivalent rate~~. Service funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching funds are available and the services can be provided through a managed care entity. If federal matching funds are not available, then service funding will continue under section 256I.05, subdivision 1a~~;

(4) for an additional two beds, resulting in a total of 32 beds, for a facility located in Hennepin County providing services for recovering and chemically dependent men that has had a housing support contract with the county and has been licensed as a board and lodge facility with special services since 1980;

(5) for a housing support provider located in the city of St. Cloud, or a county contiguous to the city of St. Cloud, that operates a 40-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves chemically dependent clientele, providing 24-hour-a-day supervision;

(6) for a new 65-bed facility in Crow Wing County that will serve chemically dependent persons, operated by a housing support provider that currently operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth;

(7) for a housing support provider that operates two ten-bed facilities, one located in Hennepin County and one located in Ramsey County, that provide community support and 24-hour-a-day supervision to serve the mental health needs of individuals who have chronically lived unsheltered; and

(8) for a facility authorized for recipients of housing support in Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility and that until August 1, 2007, operated as a licensed chemical dependency treatment program.

(b) An agency may enter into a housing support agreement for beds with rates in excess of the MSA equivalent rate in addition to those currently covered under a housing support agreement if the additional beds are only a replacement of beds with rates in excess of the MSA equivalent rate which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from housing support payment, or as a result of the downsizing of a setting authorized for recipients of housing support. The transfer of available beds from one agency to another can only occur by the agreement of both agencies.

(c) The appropriation for this subdivision must include administrative funding equal to the cost of two full-time equivalent employees to process eligibility. The commissioner must disburse administrative funding to the fiscal agent for the counties under this subdivision.

Sec. 20. Minnesota Statutes 2020, section 256S.16, is amended to read:

256S.16 AUTHORIZATION OF ELDERLY WAIVER SERVICES AND SERVICE RATES.

Subdivision 1. **Service rates; generally.** A lead agency must use the service rates and service rate limits published by the commissioner to authorize services.

Subd. 2. **Shared services; rates.** The commissioner shall provide a rate system for shared homemaker services and shared chore services, based on homemaker rates for a single individual under section 256S.215, subdivisions 9 to 11, and the chore rate for a single individual under section 256S.215, subdivision 7. For two persons sharing services, the rate paid to a provider must not exceed 1-1/2 times the rate paid for serving a single individual, and for three persons sharing services, the rate paid to a provider must not exceed two times the rate paid for serving a single individual. These rates apply only when all of the criteria for the shared service have been met.

Sec. 21. Minnesota Statutes 2020, section 256S.18, subdivision 1, is amended to read:

Subdivision 1. **Case mix classifications.** (a) The elderly waiver case mix classifications A to K shall be the resident classes A to K established under Minnesota Rules, parts 9549.0058 and 9549.0059.

(b) A participant assigned to elderly waiver case mix classification A must be reassigned to elderly waiver case mix classification L if an assessment or reassessment performed under section 256B.0911 determines that the participant has:

(1) no dependencies in activities of daily living; or

(2) up to two dependencies in bathing, dressing, grooming, walking, or eating when the dependency score in eating is three or greater.

(c) A participant must be assigned to elderly waiver case mix classification V if the participant meets the definition of ventilator-dependent in section 256B.0651, subdivision 1, paragraph ~~(g)~~ (i).

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. Laws 2021, First Special Session chapter 7, article 17, section 14, subdivision 3, is amended to read:

Subd. 3. **Membership.** (a) The task force consists of ~~16~~ 20 members, appointed as follows:

(1) the commissioner of human services or a designee;

(2) the commissioner of labor and industry or a designee;

(3) the commissioner of education or a designee;

(4) the commissioner of employment and economic development or a designee;

(5) a representative of the Department of Employment and Economic Development's Vocational Rehabilitation Services Division appointed by the commissioner of employment and economic development;

(6) one member appointed by the Minnesota Disability Law Center;

(7) one member appointed by The Arc of Minnesota;

(8) ~~three~~ four members who are persons with disabilities appointed by the commissioner of human services, at least one of whom ~~must be~~ is neurodiverse, ~~and~~ at least one of whom ~~must have~~ has a significant physical disability, and at least one of whom at the time of the appointment is being paid a subminimum wage;

(9) two representatives of employers authorized to pay subminimum wage and one representative of an employer who successfully transitioned away from payment of subminimum wages to people with disabilities, appointed by the commissioner of human services;

(10) one member appointed by the Minnesota Organization for Habilitation and Rehabilitation;

(11) one member appointed by ARRM; ~~and~~

(12) one member appointed by the State Rehabilitation Council; and

(13) three members who are parents or guardians of persons with disabilities appointed by the commissioner of human services, at least one of whom is a parent or guardian of a person who is neurodiverse, at least one of whom is a parent or guardian of a person with a significant physical disability, and at least one of whom is a parent or guardian of a person being paid a subminimum wage as of the date of the appointment.

(b) To the extent possible, membership on the task force under paragraph (a) shall reflect geographic parity throughout the state and representation from Black, Indigenous, and communities of color.

EFFECTIVE DATE. This section is effective the day following final enactment. The commissioner of human services must make the additional appointments required under this section within 30 days following final enactment.

Sec. 23. Laws 2022, chapter 33, section 1, subdivision 5a, is amended to read:

Subd. 5a. **Base wage index; calculations.** The base wage index must be calculated as follows:

(1) for supervisory staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099), with the exception of the supervisor of positive supports professional, positive supports analyst, and positive supports specialist, which is 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(2) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC code 29-1141);

(3) for licensed practical nurse staff, 100 percent of the median wage for licensed practical nurses (SOC code 29-2061);

(4) for residential asleep-overnight staff, the minimum wage in Minnesota for large employers, with the exception of asleep-overnight staff for family residential services, which is 36 percent of the minimum wage in Minnesota for large employers;

(5) for residential direct care staff, the sum of:

(i) 15 percent of the subtotal of 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); 30 percent of the median wage for nursing assistant (SOC code 31-1131); and 20 percent of the median wage for social and human services aide (SOC code 21-1093); and

(ii) 85 percent of the subtotal of 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(6) for adult day services staff, 70 percent of the median wage for nursing assistant (SOC code 31-1131); and 30 percent of the median wage for home health and personal care aide (SOC code 31-1120);

(7) for day support services staff and prevocational services staff, 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(8) for positive supports analyst staff, 100 percent of the median wage for substance abuse, behavioral disorder, and mental health counselor (SOC code 21-1018);

(9) for positive supports professional staff, 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(10) for positive supports specialist staff, 100 percent of the median wage for psychiatric technicians (SOC code 29-2053);

(11) for individualized home supports with family training staff, 20 percent of the median wage for nursing aide (SOC code 31-1131); 30 percent of the median wage for community social service specialist (SOC code 21-1099); 40 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(12) for individualized home supports with training services staff, 40 percent of the median wage for community social service specialist (SOC code 21-1099); 50 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(13) for employment support services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(14) for employment exploration services staff, 50 percent of the median wage for ~~rehabilitation counselor (SOC code 21-1015)~~ education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(15) for employment development services staff, 50 percent of the median wage for education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(16) for individualized home support without training staff, 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); and 50 percent of the median wage for nursing assistant (SOC code 31-1131);

(17) for night supervision staff, 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093); and

(18) for respite staff, 50 percent of the median wage for home health and personal care aide (SOC code 31-1131); and 50 percent of the median wage for nursing assistant (SOC code 31-1014).~~.~~

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 24. Laws 2022, chapter 33, section 1, subdivision 9a, is amended to read:

Subd. 9a. **Respite services; component values and calculation of payment rates.** (a) For the purposes of this section, respite services include respite services provided to an individual outside of any service plan for a day program or residential support service.

(b) Component values for respite services are:

(1) competitive workforce factor: 4.7 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) general administrative support ratio: 13.25 percent;

(6) program-related expense ratio: 2.9 percent; and

(7) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for respite services is 15 minutes.

(d) Payments for respite services must be calculated as follows unless the service is reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet an individual's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring deaf and hard-of-hearing customization under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio;

(9) this is the subtotal rate;

(10) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(11) divide the result of clause (9) by one minus the result of clause (10). This is the total payment amount;

(12) for respite services provided in a shared manner, divide the total payment amount in clause (11) by the number of service recipients, not to exceed three; ~~and~~

(13) for night supervision provided in a shared manner, divide the total payment amount in clause (11) by the number of service recipients, not to exceed two; and

~~(13)~~ (14) adjust the result of ~~clause~~ clauses (12) and (13) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever occurs later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. **WORKFORCE INCENTIVE FUND GRANTS.**

Subdivision 1. **Grant program established.** The commissioner of human services shall establish grants for behavioral health, housing, disability, and home and community-based older adult providers to assist with recruiting and retaining direct support and frontline workers.

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible employer" means an organization enrolled in a Minnesota health care program or providing housing services that is:

(1) a provider of home and community-based services under Minnesota Statutes, chapter 245D;

(2) an agency provider or financial management service provider under Minnesota Statutes, section 256B.85;

(3) a home care provider licensed under Minnesota Statutes, sections 144A.43 to 144A.482;

(4) a facility certified as an intermediate care facility for persons with developmental disabilities;

(5) a provider of home care services as defined in Minnesota Statutes, section 256B.0651, subdivision 1, paragraph (d);

(6) an agency as defined in Minnesota Statutes, section 256B.0949, subdivision 2;

(7) a provider of mental health day treatment services for children or adults;

(8) a provider of emergency services as defined in Minnesota Statutes, section 256E.36;

(9) a provider of housing support as defined in Minnesota Statutes, chapter 256I;

(10) a provider of housing stabilization services as defined in Minnesota Statutes, section 256B.051;

(11) a provider of transitional housing programs as defined in Minnesota Statutes, section 256E.33;

(12) a provider of substance use disorder services as defined in Minnesota Statutes, chapter 245G;

(13) an eligible financial management service provider serving people through consumer-directed community supports under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S, and consumer support grants under Minnesota Statutes, section 256.476;

(14) a provider of customized living services as defined in Minnesota Statutes, section 256S.02, subdivision 12; or

(15) a provider who serves children with an emotional disorder or adults with mental illness under Minnesota Statutes, section 245I.011 or 256B.0671, providing services, including:

(i) assertive community treatment;

(ii) intensive residential treatment services;

(iii) adult rehabilitative mental health services;

(iv) mobile crisis services;

(v) children's therapeutic services and supports;

(vi) children's residential services;

(vii) psychiatric residential treatment services;

(viii) outpatient mental health treatment provided by mental health professionals, community mental health center services, or certified community behavioral health clinics; and

(ix) intensive mental health outpatient treatment services.

(d) "Eligible worker" means a worker who earns $30 per hour or less and has worked in an eligible profession for at least six months. Eligible workers may receive up to $5,000 annually in payments from the workforce incentive fund.

Subd. 3. **Allowable uses of grant money.** (a) Grantees must use money awarded to provide payments to eligible workers for the following purposes:

(1) retention and incentive payments;

(2) postsecondary loan and tuition payments;

(3) child care costs;

(4) transportation-related costs; and

(5) other costs associated with retaining and recruiting workers, as approved by the commissioner.

(b) The commissioner must develop a grant cycle distribution plan that allows for equitable distribution of funding among eligible employer types. The commissioner's determination of the grant awards and amounts is final and is not subject to appeal.

(c) The commissioner must make efforts to prioritize eligible employers owned by persons who are Black, Indigenous, and people of color and small- to mid-sized eligible employers.

Subd. 4. **Attestation.** As a condition of obtaining grant payments under this section, an eligible employer must attest and agree to the following:

(1) the employer is an eligible employer;

(2) the total number of eligible employees;

(3) the employer will distribute the entire value of the grant to eligible employees, as allowed under this section;

(4) the employer will create and maintain records under subdivision 6;

(5) the employer will not use the money appropriated under this section for any purpose other than the purposes permitted under this section; and

(6) the entire value of any grant amounts must be distributed to eligible employees identified by the provider.

Subd. 5. **Audits and recoupment.** (a) The commissioner may perform an audit under this section up to six years after the grant is awarded to ensure:

(1) the grantee used the money solely for the purposes stated in subdivision 3;

(2) the grantee was truthful when making attestations under subdivision 5; and

(3) the grantee complied with the conditions of receiving a grant under this section.

(b) If the commissioner determines that a grantee used awarded money for purposes not authorized under this section, the commissioner must treat any amount used for a purpose not authorized under this section as an overpayment. The commissioner must recover any overpayment.

Subd. 6. **Self-directed services workforce.** Grants paid to eligible employees providing services within the covered programs defined in Minnesota Statutes, section 256B.0711, do not constitute a change in a term or condition for individual providers in covered programs and are not subject to the state's obligation to meet and negotiate under Minnesota Statutes, chapter 179A.

Subd. 7. **Grants not to be considered income.** (a) For the purposes of this subdivision, "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, paragraph (a), and the rules in that subdivision apply for this subdivision. The definitions in Minnesota Statutes, section 290.01, apply to this subdivision.

(b) The amount of grant awards received under this section is a subtraction.

(c) Grant awards under this section are excluded from income, as defined in Minnesota Statutes, sections 290.0674, subdivision 2a, and 290A.03, subdivision 3.

(d) Notwithstanding any law to the contrary, grant awards under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

(e) The commissioner of human services must not consider grant awards under this section as income or assets under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c, or for persons with eligibility determined under Minnesota Statutes, section 256B.057, subdivision 3, 3a, or 3b.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 26. **DIRECT CARE SERVICE CORPS PILOT PROJECT.**

Subdivision 1. **Establishment.** HealthForce Minnesota at Winona State University must develop a pilot project establishing the Minnesota Direct Care Service Corps. The pilot program must utilize financial incentives to attract postsecondary students to work as personal care assistants or direct support professionals. HealthForce Minnesota must establish the financial incentives and minimum work requirements to be eligible for incentive payments. The financial incentive must increase with each semester that the student participates in the Minnesota Direct Care Service Corps.

Subd. 2. **Pilot sites.** (a) Pilot sites must include one postsecondary institution in the seven-county metropolitan area and at least one postsecondary institution outside of the seven-county metropolitan area. If more than one postsecondary institution outside the metropolitan area is selected, one must be located in northern Minnesota and the other must be located in southern Minnesota.

(b) After satisfactorily completing the work requirements for a semester, the pilot site or its fiscal agent must pay students the financial incentive developed for the pilot project.

Subd. 3. **Evaluation and report.** (a) HealthForce Minnesota must contract with a third party to evaluate the pilot project's impact on health care costs, retention of personal care assistants, and patients' and providers' satisfaction of care. The evaluation must include the number of participants, the hours of care provided by participants, and the retention of participants from semester to semester.

(b) By January 4, 2024, HealthForce Minnesota must report the findings under paragraph (a) to the chairs and ranking members of the legislative committees with jurisdiction over human services policy and finance.

Sec. 27. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; LIFE-SHARING SERVICES.**

Subdivision 1. **Recommendations required.** The commissioner of human services shall develop recommendations for establishing life sharing as a covered medical assistance waiver service.

Subd. 2. **Definition.** For the purposes of this section, "life sharing" means a relationship-based living arrangement between an adult with a disability and an individual or family in which they share their lives and experiences while the adult with a disability receives support from the individual or family using person-centered practices.

Subd. 3. **Stakeholder engagement and consultation.** (a) The commissioner must proactively solicit participation in the development of the life-sharing medical assistance service through a robust stakeholder engagement process that results in the inclusion of a racially, culturally, and geographically diverse group of interested stakeholders from each of the following groups:

(1) providers currently providing or interested in providing life-sharing services;

(2) people with disabilities accessing or interested in accessing life-sharing services;

(3) disability advocacy organizations; and

(4) lead agencies.

(b) The commissioner must proactively seek input into and assistance with the development of recommendations for establishing the life-sharing service from interested stakeholders.

(c) The commissioner must provide a method for the commissioner and interested stakeholders to cofacilitate public meetings. The first meeting must occur before January 31, 2023. The commissioner must host the cofacilitated meetings at least monthly through October 31, 2023. All meetings must be accessible to all interested stakeholders, recorded, and posted online within one week of the meeting date.

Subd. 4. **Required topics to be discussed during development of the recommendations.** The commissioner and the interested stakeholders must discuss the following topics:

(1) the distinction between life sharing and adult family foster care;

(2) successful life-sharing models used in other states;

(3) services and supports that could be included in a life-sharing service;

(4) potential barriers to providing or accessing life-sharing services;

(5) solutions to remove identified barriers to providing or accessing life-sharing services;

(6) potential medical assistance payment methodologies for life-sharing services;

(7) expanding awareness of the life-sharing model; and

(8) draft language for legislation necessary to define and implement life-sharing services.

Subd. 5. **Report to the legislature.** By December 31, 2023, the commissioner must provide to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over direct care services a report summarizing the discussions between the commissioner and the interested stakeholders and the commissioner's recommendations. The report must also include any draft legislation necessary to define and implement life-sharing services.

Sec. 28. **DISABILITY SERVICES ACCESSIBILITY TASK FORCE AND PILOT PROJECTS.**

Subdivision 1. **Establishment; purpose.** The Task Force on Disability Services Accessibility is established to evaluate the accessibility of current state and county disability services and to develop and evaluate plans to address barriers to accessibility.

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

(b) "Accessible" means that a service or program is easily navigated without accommodation or assistance, or, if reasonable accommodations are needed to navigate a service or program, accommodations are chosen by the participant and effectively implemented without excessive burden to the participant. Accessible communication means communication that a person understands, with appropriate accommodations as needed, including language or other interpretation.

(c) "Commissioner" means the commissioner of the Department of Human Services.

(d) "Disability services" means services provided through Medicaid, including personal care assistance, home care, other home and community-based services, waivers, and other home and community-based disability services provided through lead agencies.

(e) "Lead agency" means a county, Tribe, or health plan under contract with the commissioner to administer disability services.

(f) "Task force" means the Task Force on Disability Services Accessibility.

Subd. 3. **Membership.** (a) The task force consists of 24 members as follows:

(1) the commissioner of human services or a designee;

(2) one member appointed by the Minnesota Council on Disability;

(3) the ombudsman for mental health and developmental disabilities or a designee;

(4) two representatives of counties or Tribal agencies appointed by the commissioner of human services;

(5) one member appointed by the Minnesota Association of County Social Service Administrators;

(6) one member appointed by the Minnesota Disability Law Center;

(7) one member appointed by the Arc of Minnesota;

(8) one member appointed by the Autism Society of Minnesota;

(9) one member appointed by the Service Employees International Union;

(10) five members appointed by the commissioner of human services who are people with disabilities, including at least one individual who has been denied services from the state or county and two individuals who use different types of disability services;

(11) three members appointed by the commissioner of human services who are parents of children with disabilities who use different types of disability services;

(12) one member appointed by the Association of Residential Resources in Minnesota;

(13) one member appointed by the Minnesota First Provider Alliance;

(14) one member appointed by the Minnesota Commission of the Deaf, DeafBlind and Hard of Hearing;

(15) one member appointed by the Minnesota Organization for Habilitation and Rehabilitation; and

(16) two members appointed by the commissioner of human services who are direct service professionals.

(b) To the extent possible, membership on the task force under paragraph (a) shall reflect geographic parity throughout the state and representation from Black and Indigenous communities and communities of color.

(c) The membership terms, compensation, expense reimbursement, and removal and filling of vacancies of task force members are as provided in section 15.059.

Subd. 4. **Appointment deadline; first meeting; chair.** Appointing authorities must complete member selections by January 1, 2023. The commissioner shall convene the first meeting of the task force by February 15, 2023. The task force shall select a chair from among its members at its first meeting. The chair will convene all subsequent meetings.

Subd. 5. **Goals.** The goals of the task force include:

(1) developing plans and executing methods to investigate accessibility of disability services, including consideration of the following inquiries:

(i) how accessible is the program or service without assistance or accommodation, including what accessibility options exist, how the accessibility options are communicated, what trainings are provided to ensure accessibility options are implemented, and available processes for filing consumer accessibility complaints and correcting administrative errors;

(ii) the impact of accessibility barriers on individuals' access to services, including information about service denials or reductions due to accessibility issues, and aggregate information about reductions and denials related to disability or support need types and reasons for reductions and denials; and

(iii) what areas of discrepancy exist between declared state and county disability policy goals and enumerated state and federal laws and the experiences of people who have disabilities in accessing services;

(2) identifying areas of inaccessibility creating inefficiencies that financially impact the state and counties, including:

(i) the number and cost of appeals, including the number of appeals of service denials or reductions that are ultimately overturned;

(ii) the cost of crisis intervention because of service failure; and

(iii) the cost of redoing work that was not done correctly initially; and

(3) assessing the efficacy of possible solutions, including supervising and reviewing data from pilot projects as described in subdivisions 7 and 8.

Subd. 6. **Duties; plan and recommendations.** (a) The task force shall work with the commissioner to identify investigative areas and to develop a plan to conduct an accessibility assessment of disability services provided by lead agencies and the Department of Human Services. The assessment must:

(1) identify accessibility barriers and impediments created by current policies, procedures, and implementation;

(2) identify and analyze accessibility barrier and impediment impacts on different demographics;

(3) gather information from:

(i) the Department of Human Services;

(ii) relevant state agencies and staff;

(iii) counties and relevant staff;

(iv) people who use disability services;

(v) disability advocates; and

(vi) family members and other support people for individuals who use disability services;

(4) identify barriers to accessibility improvements in state and county services; and

(5) identify benefits to the state and counties in improving accessibility of disability services.

(b) For the purposes of the assessment, disability services include:

(1) access to services;

(2) explanation of services;

(3) maintenance of services;

(4) application of services;

(5) services participant understanding of rights and responsibilities;

(6) communication regarding services;

(7) requests for accommodations;

(8) processes for filing complaints or grievances; and

(9) processes for appealing decisions denying or reducing services or eligibility.

(c) The task force shall collaborate with stakeholders, counties, and state agencies to develop recommendations from the findings of the assessment and to create sustainable and accessible changes to county and state services to improve outcomes for people with disabilities. The recommendations must include:

(1) recommendations to eliminate barriers identified in the assessment, including but not limited to recommendations for state legislative action, state policy action, and lead agency changes;

(2) benchmarks for measuring annual progress toward increasing accessibility in county and state disability services to be annually evaluated by the commissioner and the Minnesota Council on Disability;

(3) a proposed method for monitoring and tracking accessibility in disability services;

(4) proposed initiatives, training, and services designed to improve accessibility and effectiveness of county and state disability services; and

(5) recommendations for sustainable financial support and resources for improving accessibility.

(d) The task force shall oversee preparation of a report outlining the findings from the accessibility assessment in paragraph (a) and the recommendations developed pursuant to paragraph (b) according to subdivision 9.

Subd. 7. **Pilot projects.** (a) The commissioner shall establish pilot projects with multiple methods of reducing accessibility barriers in disability services.

(b) The commissioner shall select lead agencies to conduct pilot projects through a competitive application process. The commissioner shall select six lead agencies across the state in regional zones, with representation from counties serving Black people, Indigenous people, and other people of color and no more than two lead agencies from the seven-county metropolitan area.

(c) The application must include a proposal for how the county will implement any pilot project in subdivisions 7 and 8 for at least five percent of the county's total disability services case load.

(d) Selected counties shall use a process to facilitate communication between counties and applicants and reduce incidences of appeal prior to issuing disability service decisions that deny or reduce services or eligibility. These counties shall provide recipients with a preview of the service decision and an opportunity to ask questions, provide clarification, or provide additional information. The process must be accessible to recipients, including in its forms of communication. A recipient is not required to participate in the preview process.

(e) Any preview and opportunity for questions, clarification, or additional documents must occur at least ten business days in advance of issuing a service decision. The preview process must at minimum include:

(1) the lead agency sharing the substantive content of the proposed decision with the recipient;

(2) an opportunity for interactive communication between the recipient and a representative of the lead agency with knowledge regarding the proposed decision that must be in a format that is accessible to the recipient; and

(3) continuation of services while a notice of action is pending following the preview process.

(f) Counties must issue a notice of action within ten days of the final communication of the preview process. Counties may change a decision denying or reducing services or eligibility between the preview and the decision based on discussions or information from the preview process. The recipient may request an appeal at any time.

(g) To the extent permitted by the Centers for Medicare and Medicaid Services, selected counties shall streamline Medicaid service eligibility for people with disabilities by using less frequent disability service needs assessments to save costs and reduce administrative work needed to redetermine service eligibility. If federal approval is needed for the pilot project, the commissioner shall seek a waiver from the Centers for Medicare and Medicaid Services to permit the pilot project.

(h) The commissioner shall establish the criteria for lead agencies participating in the pilot project to use less frequent assessments for disability services for qualifying individuals. This criteria must include the likelihood of the individual's disability-related needs to change over time and the consistency or lack thereof of previous assessment results.

(i) A change to less frequent assessments must not preclude an individual from requesting an assessment earlier than the next scheduled assessment. Lead agencies shall assess service eligibility at least every three years.

(j) Selected lead agencies shall hire or contract with a community program and train and implement a team of peer system navigators to assist recipients with navigating county processes. Navigators must be people with disabilities or parents or guardians receiving the same type of services in similar settings. The county must communicate with navigators and pair navigators with participants.

(k) The peer system navigator process must be accessible to recipients, including in form of communication. The counties must pay peer navigators and provide benefit counseling to navigators to ensure their own services and supports are not at risk.

(l) Selected lead agencies shall make options available for disability service recipients to use electronic communications for interactions with the lead agency regarding services.

Subd. 8. **Pilot projects; funding and timing.** (a) Each county selected must receive grant funding to implement, operate, and report on the pilot project. The amount of grant funding must be proportionate to the disability services case load for the selected county.

(b) Counties shall implement the pilot projects no later than July 1, 2023, and shall continue the projects for at least 18 months. Counties must provide interim reporting on the pilot projects to the task force at six, 12, and 18 months into the pilot projects.

Subd. 9. **Report.** By August 1, 2025, the task force shall submit a report with recommendations to the chairs and ranking minority members of the committees and divisions in the senate and house of representatives with jurisdiction over health and human services. This report must comply with subdivision 6, paragraph (d), include any changes to statutes, laws, or rules required to implement the recommendations of the task force, and include a recommendation concerning continuing the task force beyond its scheduled expiration.

Subd. 10. **Administrative support.** The commissioner of human services shall provide meeting space and administrative services to the task force.

Subd. 11. **Expiration.** The task force expires on March 31, 2026.

Sec. 29. **DIRECTION TO COMMISSIONER; SHARED SERVICES.**

(a) By December 1, 2022, the commissioner of human services shall seek any necessary changes to home and community-based services waiver plans regarding sharing services in order to:

(1) permit shared services for more services, including chore, homemaker, and night supervision;

(2) permit shared services for some services for higher ratios, including individualized home supports without training, individualized home supports with training, and individualized home supports with family training for a ratio of one staff person to three recipients;

(3) ensure that individuals who are seeking to share services permitted under the waiver plans in an own-home setting are not required to live in a licensed setting in order to share services so long as all other requirements are met; and

(4) issue guidance for shared services, including:

(i) informed choice for all individuals sharing the services;

(ii) guidance for when multiple shared services by different providers occur in one home and how lead agencies and individuals shall determine that shared service is appropriate to meet the needs, health, and safety of each individual for whom the lead agency provides case management or care coordination; and

(iii) guidance clarifying that an individual's decision to share services does not reduce any determination of the individual's overall or assessed needs for services.

(b) The commissioner shall develop or provide guidance outlining:

(1) instructions for shared services support planning;

(2) person-centered approaches and informed choice in shared services support planning; and

(3) required contents of shared services agreements.

(c) The commissioner shall seek and utilize stakeholder input for any proposed changes to waiver plans and any shared services guidance.

Sec. 30. **DIRECTION TO COMMISSIONER; DISABILITY WAIVER SHARED SERVICES RATES.**

The commissioner of human services shall provide a rate system for shared homemaker services and shared chore services provided under Minnesota Statutes, sections 256B.092 and 256B.49. For two persons sharing services, the rate paid to a provider must not exceed 1-1/2 times the rate paid for serving a single individual, and for three persons sharing services, the rate paid to a provider must not exceed two times the rate paid for serving a single individual. These rates apply only when all of the criteria for the shared service have been met.

Sec. 31. **DIRECTION TO COMMISSIONER; INTERMEDIATE CARE FACILITIES FOR PERSONS WITH DISABILITIES RATE STUDY.**

The commissioner of human services shall study medical assistance payment rates for intermediate care facilities for persons with disabilities under Minnesota Statutes, sections 256B.5011 to 256B.5015; make recommendations on establishing a new payment rate methodology for these facilities; and submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance by February 15, 2023, that includes the recommendations and any draft legislation necessary to implement the recommendations.

ARTICLE 3
BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2020, section 62N.25, subdivision 5, is amended to read:

Subd. 5. **Benefits.** Community integrated service networks must offer the health maintenance organization benefit set, as defined in chapter 62D, and other laws applicable to entities regulated under chapter 62D. Community networks and chemical dependency facilities under contract with a community network shall use the assessment criteria in ~~Minnesota Rules, parts 9530.6600 to 9530.6655,~~ section 245G.05 when assessing enrollees for chemical dependency treatment.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 2. Minnesota Statutes 2020, section 62Q.1055, is amended to read:

62Q.1055 CHEMICAL DEPENDENCY.

All health plan companies shall use the assessment criteria in ~~Minnesota Rules, parts 9530.6600 to 9530.6655,~~ section 245G.05 when assessing and ~~placing~~ treating enrollees for chemical dependency treatment.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 62Q.47, is amended to read:

62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons ~~placed in~~ seeking chemical dependency services under ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency and alcoholism services, except for persons ~~placed in~~ seeking chemical dependency services under ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) A health plan company must not impose an NQTL with respect to mental health and substance use disorders in any classification of benefits unless, under the terms of the health plan as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to mental health and substance use disorders in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the NQTL with respect to medical and surgical benefits in the same classification.

(e) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal guidance or regulations issued under, those acts.

(f) The commissioner may require information from health plan companies to confirm that mental health parity is being implemented by the health plan company. Information required may include comparisons between mental health and substance use disorder treatment and other medical conditions, including a comparison of prior authorization requirements, drug formulary design, claim denials, rehabilitation services, and other information the commissioner deems appropriate.

(g) Regardless of the health care provider's professional license, if the service provided is consistent with the provider's scope of practice and the health plan company's credentialing and contracting provisions, mental health therapy visits and medication maintenance visits shall be considered primary care visits for the purpose of applying any enrollee cost-sharing requirements imposed under the enrollee's health plan.

(h) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce, in consultation with the commissioner of health, shall submit a report on compliance and oversight to the chairs and ranking minority members of the legislative committees with jurisdiction over health and commerce. The report must:

(1) describe the commissioner's process for reviewing health plan company compliance with United States Code, title 42, section 18031(j), any federal regulations or guidance relating to compliance and oversight, and compliance with this section and section 62Q.53;

(2) identify any enforcement actions taken by either commissioner during the preceding 12-month period regarding compliance with parity for mental health and substance use disorders benefits under state and federal law, summarizing the results of any market conduct examinations. The summary must include: (i) the number of formal enforcement actions taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(3) detail any corrective action taken by either commissioner to ensure health plan company compliance with this section, section 62Q.53, and United States Code, title 42, section 18031(j); and

(4) describe the information provided by either commissioner to the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law.

The report must be written in nontechnical, readily understandable language and must be made available to the public by, among other means as the commissioners find appropriate, posting the report on department websites. Individually identifiable information must be excluded from the report, consistent with state and federal privacy protections.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 4. Minnesota Statutes 2020, section 169A.70, subdivision 3, is amended to read:

Subd. 3. **Assessment report.** (a) The assessment report must be on a form prescribed by the commissioner and shall contain an evaluation of the convicted defendant concerning the defendant's prior traffic and criminal record, characteristics and history of alcohol and chemical use problems, and amenability to rehabilitation through the alcohol safety program. The report is classified as private data on individuals as defined in section 13.02, subdivision 12.

(b) The assessment report must include:

(1) a diagnosis of the nature of the offender's chemical and alcohol involvement;

(2) an assessment of the severity level of the involvement;

(3) a recommended level of care for the offender in accordance with the criteria contained in ~~rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (chemical dependency treatment rules)~~ section 245G.05;

(4) an assessment of the offender's placement needs;

(5) recommendations for other appropriate remedial action or care, including aftercare services in section 254B.01, subdivision 3, that may consist of educational programs, one-on-one counseling, a program or type of treatment that addresses mental health concerns, or a combination of them; and

(6) a specific explanation why no level of care or action was recommended, if applicable.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 5. Minnesota Statutes 2020, section 169A.70, subdivision 4, is amended to read:

Subd. 4. **Assessor standards; rules; assessment time limits.** A chemical use assessment required by this section must be conducted by an assessor appointed by the court. The assessor must meet the training and qualification requirements of ~~rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (chemical dependency treatment rules)~~ section 245G.11, subdivisions 1 and 5. Notwithstanding section 13.82 (law enforcement data), the assessor shall have access to any police reports, laboratory test results, and other law enforcement data relating to the current offense or previous offenses that are necessary to complete the evaluation. ~~An assessor providing an assessment under this section may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider, except as authorized under section 254A.19, subdivision 3. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3.~~ An appointment for the

defendant to undergo the assessment must be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The assessment must be completed no later than three weeks after the defendant's court appearance. If the assessment is not performed within this time limit, the county where the defendant is to be sentenced shall perform the assessment. The county of financial responsibility must be determined under chapter 256G.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 6. **[245.4866] CHILDREN'S MENTAL HEALTH COMMUNITY OF PRACTICE.**

Subdivision 1. **Establishment; purpose.** The commissioner of human services, in consultation with children's mental health subject matter experts, shall establish a children's mental health community of practice. The purposes of the community of practice are to improve treatment outcomes for children and adolescents with mental illness and reduce disparities. The community of practice shall use evidence-based and best practices through peer-to-peer and person-to-provider sharing.

Subd. 2. **Participants; meetings.** (a) The community of practice must include the following participants:

(1) researchers or members of the academic community who are children's mental health subject matter experts who do not have financial relationships with treatment providers;

(2) children's mental health treatment providers;

(3) a representative from a mental health advocacy organization;

(4) a representative from the Department of Human Services;

(5) a representative from the Department of Health;

(6) a representative from the Department of Education;

(7) representatives from county social services agencies;

(8) representatives from Tribal nations or Tribal social services providers; and

(9) representatives from managed care organizations.

(b) The community of practice must include, to the extent possible, individuals and family members who have used mental health treatment services and must highlight the voices and experiences of individuals who are Black, Indigenous, people of color, and people from other communities that are disproportionately impacted by mental illness.

(c) The community of practice must meet regularly and must hold its first meeting before January 1, 2023.

(d) Compensation and reimbursement for expenses for participants in paragraph (b) are governed by section 15.059, subdivision 3.

Subd. 3. **Duties.** (a) The community of practice must:

(1) identify gaps in children's mental health treatment services;

(2) enhance collective knowledge of issues related to children's mental health;

(3) understand evidence-based practices, best practices, and promising approaches to address children's mental health;

(4) use knowledge gathered through the community of practice to develop strategic plans to improve outcomes for children who participate in mental health treatment and related services in Minnesota;

(5) increase knowledge about the challenges and opportunities learned by implementing strategies; and

(6) develop capacity for community advocacy.

(b) The commissioner, in collaboration with subject matter experts and other participants, may issue reports and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance and to local and regional governments.

Sec. 7. Minnesota Statutes 2020, section 245.4882, is amended by adding a subdivision to read:

Subd. 2a. **Assessment requirements.** (a) A residential treatment service provider must complete a diagnostic assessment of a child within ten calendar days of the child's admission. 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.

(b) The service provider must complete the screenings required by Minnesota Rules, part 2960.0070, subpart 5, within ten calendar days.

Sec. 8. Minnesota Statutes 2020, section 245.4882, is amended by adding a subdivision to read:

Subd. 6. **Crisis admissions and stabilization.** (a) A child may be referred for residential treatment services under this section for the purpose of crisis stabilization by:

(1) a mental health professional as defined in section 245I.04, subdivision 2;

(2) a physician licensed under chapter 147 who is assessing a child in an emergency department; or

(3) a member of a mobile crisis team who meets the qualifications under section 256B.0624, subdivision 5.

(b) A provider making a referral under paragraph (a) must conduct an assessment of the child's mental health needs and make a determination that the child is experiencing a mental health crisis and is in need of residential treatment services under this section.

(c) A child may receive services under this subdivision for up to 30 days and must be subject to the screening and admissions criteria and processes under section 245.4885 thereafter.

Sec. 9. Minnesota Statutes 2021 Supplement, 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 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. 10. Minnesota Statutes 2021 Supplement, 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 124D.23 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 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 or severe emotional disturbances who are at risk of out-of-home placement or already in out-of-home placement and at risk of change in placement or a higher level of care. 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;

(4) children's mental health crisis services;

(5) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(6) children's mental health screening and follow-up diagnostic assessment and treatment;

(7) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(8) school-linked mental health services under section 245.4901;

(9) building evidence-based mental health intervention capacity for children birth to age five;

(10) suicide prevention and counseling services that use text messaging statewide;

(11) mental health first aid training;

(12) 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;

(13) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(14) early childhood mental health consultation;

(15) 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;

(16) psychiatric consultation for primary care practitioners; ~~and~~

(17) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants~~.~~; and

(18) intensive developmentally appropriate and culturally informed interventions for youth who are at risk of developing a mood disorder or experiencing a first episode of a mood disorder and a public awareness campaign on the signs and symptoms of mood disorders in youth.

(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.

Sec. 11. Minnesota Statutes 2020, section 245.4889, is amended by adding a subdivision to read:

Subd. 4. **Covered respite care services.** Respite care services under subdivision 1, paragraph (b), clause (3), include hourly or overnight stays at a licensed foster home or with a qualified and approved family member or friend and may occur at a child's or a provider's home. Respite care services may also include the following activities and expenses:

(1) recreational, sport, and nonsport extracurricular activities and programs for the child such as camps, clubs, activities, lessons, group outings, sports, or other activities and programs;

(2) family activities, camps, and retreats that the whole family does together that provide a break from the family's circumstances;

(3) cultural programs and activities for the child and family designed to address the unique needs of individuals who share a common language or racial, ethnic, or social background; and

(4) costs of transportation, food, supplies, and equipment directly associated with approved respite care services and expenses necessary for the child and family to access and participate in respite care services.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 12. **[245.4903] CULTURAL AND ETHNIC MINORITY INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish a cultural and ethnic minority infrastructure grant program to ensure that mental health and substance use disorder treatment supports and services are culturally specific and culturally responsive to meet the cultural needs of the communities served.

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider from a cultural or ethnic minority population who:

(1) provides mental health or substance use disorder treatment services and supports to individuals from cultural and ethnic minority populations, including individuals who are lesbian, gay, bisexual, transgender, or queer, from cultural and ethnic minority populations;

(2) provides or is qualified and has the capacity to provide clinical supervision and support to members of culturally diverse and ethnic minority communities to qualify as mental health and substance use disorder treatment providers; or

(3) has the capacity and experience to provide training for mental health and substance use disorder treatment providers on cultural competency and cultural humility.

Subd. 3. **Allowable grant activities.** (a) The cultural and ethnic minority infrastructure grant program grantees must engage in activities and provide supportive services to ensure and increase equitable access to culturally specific and responsive care and to build organizational and professional capacity for licensure and certification for the communities served. Allowable grant activities include but are not limited to:

(1) workforce development activities focused on recruiting, supporting, training, and supervision activities for mental health and substance use disorder practitioners and professionals from diverse racial, cultural, and ethnic communities;

(2) supporting members of culturally diverse and ethnic minority communities to qualify as mental health and substance use disorder professionals, practitioners, clinical supervisors, recovery peer specialists, mental health certified peer specialists, and mental health certified family peer specialists;

(3) culturally specific outreach, early intervention, trauma-informed services, and recovery support in mental health and substance use disorder services;

(4) provision of trauma-informed, culturally responsive mental health and substance use disorder supports and services for children and families, youth, or adults who are from cultural and ethnic minority backgrounds and are uninsured or underinsured;

(5) mental health and substance use disorder service expansion and infrastructure improvement activities, particularly in greater Minnesota;

(6) training for mental health and substance use disorder treatment providers on cultural competency and cultural humility; and

(7) activities to increase the availability of culturally responsive mental health and substance use disorder services for children and families, youth, or adults or to increase the availability of substance use disorder services for individuals from cultural and ethnic minorities in the state.

(b) The commissioner must assist grantees with meeting third-party credentialing requirements, and grantees must obtain all available third-party reimbursement sources as a condition of receiving grant funds. Grantees must serve individuals from cultural and ethnic minority communities regardless of health coverage status or ability to pay.

Subd. 4. **Data collection and outcomes.** Grantees must provide regular data summaries to the commissioner for purposes of evaluating the effectiveness of the cultural and ethnic minority infrastructure grant program. The commissioner must use identified culturally appropriate outcome measures instruments to evaluate outcomes and must evaluate program activities by analyzing whether the program:

(1) increased access to culturally specific services for individuals from cultural and ethnic minority communities across the state;

(2) increased number of individuals from cultural and ethnic minority communities served by grantees;

(3) increased cultural responsiveness and cultural competency of mental health and substance use disorder treatment providers;

(4) increased number of mental health and substance use disorder treatment providers and clinical supervisors from cultural and ethnic minority communities;

(5) increased number of mental health and substance use disorder treatment organizations owned, managed, or led by individuals who are Black, Indigenous, or people of color;

(6) reduced in health disparities through improved clinical and functional outcomes for those accessing services; and

(7) led to an overall increase in culturally specific mental health and substance use disorder service availability.

Sec. 13. **[245.4904] EMERGING MOOD DISORDER GRANT PROGRAM.**

Subdivision 1. **Creation.** (a) The emerging mood disorder grant program is established in the Department of Human Services to fund:

(1) evidence-informed interventions for youth and young adults who are at risk of developing a mood disorder or are experiencing an emerging mood disorder, including major depression and bipolar disorders; and

(2) a public awareness campaign on the signs and symptoms of mood disorders in youth and young adults.

(b) Emerging mood disorder services are eligible for children's mental health grants as specified in section 245.4889, subdivision 1, paragraph (b), clause (18).

Subd. 2. **Activities.** (a) All emerging mood disorder grant programs must:

(1) provide intensive treatment and support to adolescents and young adults experiencing or at risk of experiencing an emerging mood disorder. Intensive treatment and support includes medication management, psychoeducation for the individual and the individual's family, case management, employment support, education support, cognitive behavioral approaches, social skills training, peer support, crisis planning, and stress management;

(2) conduct outreach and provide training and guidance to mental health and health care professionals, including postsecondary health clinicians, on early symptoms of mood disorders, screening tools, and best practices;

(3) ensure access for individuals to emerging mood disorder services under this section, including ensuring access for individuals who live in rural areas; and

(4) use all available funding streams.

(b) Grant money may also be used to pay for housing or travel expenses for individuals receiving services or to address other barriers preventing individuals and their families from participating in emerging mood disorder services.

(c) Grant money may be used by the grantee to evaluate the efficacy of providing intensive services and supports to people with emerging mood disorders.

Subd. 3. **Eligibility.** Program activities must be provided to youth and young adults with early signs of an emerging mood disorder.

Subd. 4. **Outcomes.** Evaluation of program activities must utilize evidence-based practices and must include the following outcome evaluation criteria:

(1) whether individuals experience a reduction in mood disorder symptoms; and

(2) whether individuals experience a decrease in inpatient mental health hospitalizations.

Sec. 14. **[245.4905] FIRST EPISODE OF PSYCHOSIS GRANT PROGRAM.**

Subdivision 1. **Creation.** The first episode of psychosis grant program is established in the Department of Human Services to fund 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. First episode of psychosis services are eligible for children's mental health grants as specified in section 245.4889, subdivision 1, paragraph (b), clause (15).

Subd. 2. **Activities.** (a) All first episode of psychosis grant programs must:

(1) provide intensive treatment and support for adolescents and adults experiencing or at risk of experiencing a first psychotic episode. Intensive treatment and support includes medication management, psychoeducation for an individual and an individual's family, case management, employment support, education support, cognitive behavioral approaches, social skills training, peer support, crisis planning, and stress management;

(2) conduct outreach and provide training and guidance to mental health and health care professionals, including postsecondary health clinicians, on early psychosis symptoms, screening tools, and best practices;

(3) ensure access for individuals to first psychotic episode services under this section, including access for individuals who live in rural areas; and

(4) use all available funding streams.

(b) Grant money may also be used to pay for housing or travel expenses for individuals receiving services or to address other barriers preventing individuals and their families from participating in first psychotic episode services.

Subd. 3. **Eligibility.** Program activities must be provided to people 15 to 40 years old with early signs of psychosis.

Subd. 4. **Outcomes.** Evaluation of program activities must utilize evidence-based practices and must include the following outcome evaluation criteria:

(1) whether individuals experience a reduction in psychotic symptoms;

(2) whether individuals experience a decrease in inpatient mental health hospitalizations; and

(3) whether individuals experience an increase in educational attainment.

Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with all conditions and requirements necessary to receive federal aid or grants.

Sec. 15. Minnesota Statutes 2020, section 245.713, subdivision 2, is amended to read:

Subd. 2. **Total funds available; allocation.** Funds granted to the state by the federal government under United States Code, title 42, sections 300X to 300X-9 each federal fiscal year for mental health services must be allocated as follows:

(a) Any amount set aside by the commissioner of human services for American Indian organizations within the state, which funds shall not duplicate any direct federal funding of American Indian organizations and which funds shall be at least 25 percent of the total federal allocation to the state for mental health services~~; provided that sufficient applications for funding are received by the commissioner which meet the specifications contained in requests for proposals~~. Money from this source may be used for special committees to advise the commissioner on mental health programs and services for American Indians and other minorities or underserved groups. For purposes of this subdivision, "American Indian organization" means an American Indian tribe or band or an organization providing mental health services that is legally incorporated as a nonprofit organization registered with the secretary of state and governed by a board of directors having at least a majority of American Indian directors.

(b) An amount not to exceed five percent of the federal block grant allocation for mental health services to be retained by the commissioner for administration.

(c) Any amount permitted under federal law which the commissioner approves for demonstration or research projects for severely disturbed children and adolescents, the underserved, special populations or multiply disabled mentally ill persons. The groups to be served, the extent and nature of services to be provided, the amount and duration of any grant awards are to be based on criteria set forth in the Alcohol, Drug Abuse and Mental Health Block Grant Law, United States Code, title 42, sections 300X to 300X-9, and on state policies and procedures determined necessary by the commissioner. Grant recipients must comply with applicable state and federal requirements and demonstrate fiscal and program management capabilities that will result in provision of quality, cost-effective services.

(d) The amount required under federal law, for federally mandated expenditures.

(e) An amount not to exceed 15 percent of the federal block grant allocation for mental health services to be retained by the commissioner for planning and evaluation.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 16. **[245.991] PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS PROGRAM.**

Subdivision 1. **Creation.** The projects for assistance in transition from homelessness program is established in the Department of Human Services to prevent or end homelessness for people with serious mental illness and substance use disorders and ensure the commissioner may achieve the goals of the housing mission statement in section 245.461, subdivision 4.

Subd. 2. **Activities.** All projects for assistance in transition from homelessness must provide homeless outreach and case management services. Projects may provide clinical assessment, habilitation and rehabilitation services, community mental health services, substance use disorder treatment, housing transition and sustaining services, direct assistance funding, and other activities as determined by the commissioner.

Subd. 3. **Eligibility.** Program activities must be provided to people with serious mental illness or a substance use disorder who meet homeless criteria determined by the commissioner. People receiving homeless outreach may be presumed eligible until a serious mental illness or a substance use disorder can be verified.

Subd. 4. **Outcomes.** Evaluation of each project must include the following outcome evaluation criteria:

(1) whether people are contacted through homeless outreach services;

(2) whether people are enrolled in case management services;

(3) whether people access behavioral health services; and

(4) whether people transition from homelessness to housing.

Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with all conditions and requirements necessary to receive federal aid or grants with respect to homeless services or programs as specified in section 245.70.

Sec. 17. **[245.992] HOUSING WITH SUPPORT FOR BEHAVIORAL HEALTH.**

Subdivision 1. **Creation.** The housing with support for behavioral health program is established in the Department of Human Services to prevent or end homelessness for people with serious mental illness and substance use disorders, increase the availability of housing with support, and ensure the commissioner may achieve the goals of the housing mission statement in section 245.461, subdivision 4.

Subd. 2. **Activities.** The housing with support for behavioral health program may provide a range of activities and supportive services to ensure that people obtain and retain permanent supportive housing. Program activities may include case management, site-based housing services, housing transition and sustaining services, outreach services, community support services, direct assistance funding, and other activities as determined by the commissioner.

Subd. 3. **Eligibility.** Program activities must be provided to people with a serious mental illness or a substance use disorder who meet homeless criteria determined by the commissioner.

Subd. 4. **Outcomes.** Evaluation of program activities must utilize evidence-based practices and must include the following outcome evaluation criteria:

(1) whether housing and activities utilize evidence-based practices;

(2) whether people transition from homelessness to housing;

(3) whether people retain housing; and

(4) whether people are satisfied with their current housing.

Sec. 18. Minnesota Statutes 2021 Supplement, section 245A.043, subdivision 3, is amended to read:

Subd. 3. **Change of ownership process.** (a) When a change in ownership is proposed and the party intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service, the license holder must provide the commissioner with written notice of the proposed change on a form provided by the commissioner at least 60 days before the anticipated date of the change in ownership. For purposes of this subdivision and subdivision 4, "party" means the party that intends to operate the service or program.

(b) The party must submit a license application under this chapter on the form and in the manner prescribed by the commissioner at least 30 days before the change in ownership is complete, and must include documentation to support the upcoming change. The party must comply with background study requirements under chapter 245C and shall pay the application fee required under section 245A.10. A party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service is exempt from the requirements of sections 245G.03, subdivision 2, paragraph (b), and 254B.03, subdivision 2, paragraphs ~~(d)~~ (c) and ~~(e)~~ (d).

(c) The commissioner may streamline application procedures when the party is an existing license holder under this chapter and is acquiring a program licensed under this chapter or service in the same service class as one or more licensed programs or services the party operates and those licenses are in substantial compliance. For purposes of this subdivision, "substantial compliance" means within the previous 12 months the commissioner did not (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make a license held by the party conditional according to section 245A.06.

(d) Except when a temporary change in ownership license is issued pursuant to subdivision 4, the existing license holder is solely responsible for operating the program according to applicable laws and rules until a license under this chapter is issued to the party.

(e) If a licensing inspection of the program or service was conducted within the previous 12 months and the existing license holder's license record demonstrates substantial compliance with the applicable licensing requirements, the commissioner may waive the party's inspection required by section 245A.04, subdivision 4. The party must submit to the commissioner (1) proof that the premises was inspected by a fire marshal or that the fire marshal deemed that an inspection was not warranted, and (2) proof that the premises was inspected for compliance with the building code or that no inspection was deemed warranted.

(f) If the party is seeking a license for a program or service that has an outstanding action under section 245A.06 or 245A.07, the party must submit a letter as part of the application process identifying how the party has or will come into full compliance with the licensing requirements.

(g) The commissioner shall evaluate the party's application according to section 245A.04, subdivision 6. If the commissioner determines that the party has remedied or demonstrates the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has determined that the program otherwise complies with all applicable laws and rules, the commissioner shall issue a license or conditional license under this chapter. The conditional license remains in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

(h) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

(i) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

Sec. 19. **[245A.26] CHILDREN'S RESIDENTIAL FACILITY CRISIS STABILIZATION SERVICES.**

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 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.

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 child 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 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 child 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 child 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 child's immediate needs under Minnesota Rules, part 2960.0520, subpart 3.

Subd. 3. **Eligibility for services.** An individual is eligible for children's residential crisis stabilization services if the individual is under 19 years of age and meets the eligibility criteria for crisis services under section 256B.0624, subdivision 3.

Subd. 4. **Required services; providers.** (a) A license holder providing residential crisis stabilization services must continually follow a child's individual crisis treatment plan to improve the child's functioning.

(b) The license holder must offer and have the capacity to directly provide the following treatment services to a child:

(1) crisis stabilization services as described in section 256B.0624, subdivision 7;

(2) mental health services as specified in the child's individual crisis treatment plan, according to the child's treatment needs;

(3) health services and medication administration, if applicable; and

(4) referrals for the child to community-based treatment providers and support services for the child's transition from residential crisis stabilization to another treatment setting.

(c) Children's residential crisis stabilization services must be provided by a qualified staff person listed in section 256B.0624, subdivision 8, according to the scope of practice for the individual staff person's position.

Subd. 5. **Assessment and treatment planning.** (a) Within 24 hours of a child's admission for residential crisis stabilization, the license holder must assess the child and document the child's immediate needs, including the child's:

(1) health and safety, including the need for crisis assistance; and

(2) need for connection to family and other natural supports.

(b) Within 24 hours of a child's admission for residential crisis stabilization, the license holder must complete a crisis treatment plan for the child, according to the requirements for a crisis treatment plan under section 256B.0624, subdivision 11. The license holder must base the child's crisis treatment plan on the child's referral information and the assessment of the child's immediate needs under paragraph (a). A mental health professional or a clinical trainee under the supervision of a mental health professional must complete the crisis treatment plan. A crisis treatment plan completed by a clinical trainee must contain documentation of approval, as defined in section 245I.02, subdivision 2, by a mental health professional within five business days of initial completion by the clinical trainee.

(c) A mental health professional must review a child's crisis treatment plan each week and document the weekly reviews in the child's client file.

(d) For a client receiving children's residential crisis stabilization services who is 18 years of age or older, the license holder must complete an individual abuse prevention plan for the client, pursuant to section 245A.65, subdivision 2, as part of the client's crisis treatment plan.

Subd. 6. **Staffing requirements.** Staff members of facilities providing services under this section must have access to a mental health professional or clinical trainee within 30 minutes, either in person or by telephone. The license holder must maintain a current schedule of available mental health professionals or clinical trainees and include contact information for each mental health professional or clinical trainee. The schedule must be readily available to all staff members.

Sec. 20. Minnesota Statutes 2020, section 245F.03, is amended to read:

245F.03 APPLICATION.

(a) This chapter establishes minimum standards for withdrawal management programs licensed by the commissioner that serve one or more unrelated persons.

(b) This chapter does not apply to a withdrawal management program licensed as a hospital under sections 144.50 to 144.581. A withdrawal management program located in a hospital licensed under sections 144.50 to 144.581 that chooses to be licensed under this chapter is deemed to be in compliance with section 245F.13.

~~(c) Minnesota Rules, parts 9530.6600 to 9530.6655, do not apply to withdrawal management programs licensed under this chapter.~~

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 21. Minnesota Statutes 2020, section 245G.05, subdivision 2, is amended to read:

Subd. 2. **Assessment summary.** (a) An alcohol and drug counselor must complete an assessment summary within three calendar days from the day of service initiation for a residential program and within three calendar days on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program. The comprehensive assessment summary is complete upon a qualified staff member's dated signature. If the comprehensive assessment is used to authorize the treatment service, the alcohol and drug counselor must prepare an assessment summary on the same date the comprehensive assessment is completed. If the comprehensive assessment and assessment summary are to authorize treatment services, the assessor must determine appropriate level of care and services for the client using the ~~dimensions in Minnesota Rules, part 9530.6622~~ criteria established in section 254B.04, subdivision 4, and document the recommendations.

(b) An assessment summary must include:

(1) a risk description according to section 245G.05 for each dimension listed in paragraph (c);

(2) a narrative summary supporting the risk descriptions; and

(3) a determination of whether the client has a substance use disorder.

(c) An assessment summary must contain information relevant to treatment service planning and recorded in the dimensions in clauses (1) to (6). The license holder must consider:

(1) Dimension 1, acute intoxication/withdrawal potential; the client's ability to cope with withdrawal symptoms and current state of intoxication;

(2) Dimension 2, biomedical conditions and complications; the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. The license holder must determine the impact of continued substance use on the unborn child, if the client is pregnant;

(3) Dimension 3, emotional, behavioral, and cognitive conditions and complications; the degree to which any condition or complication is likely to interfere with treatment for substance use or with functioning in significant life areas and the likelihood of harm to self or others;

(4) Dimension 4, readiness for change; the support necessary to keep the client involved in treatment service;

(5) Dimension 5, relapse, continued use, and continued problem potential; the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems; and

(6) Dimension 6, recovery environment; whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 22. Minnesota Statutes 2020, section 245G.22, subdivision 2, is amended to read:

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

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from intended use of the medication.

(c) "Guest dose" means administration of a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a practitioner licensed to practice medicine in the jurisdiction that the opioid treatment program is located who assumes responsibility for administering all medical services performed by the program, either by performing the services directly or by delegating specific responsibility to a practitioner of the opioid treatment program.

(e) "Medication used for the treatment of opioid use disorder" means a medication approved by the Food and Drug Administration for the treatment of opioid use disorder.

(f) "Minnesota health care programs" has the meaning given in section 256B.0636.

(g) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under this chapter.

~~(h) "Placing authority" has the meaning given in Minnesota Rules, part 9530.6605, subpart 21a.~~

~~(i)~~ (h) "Practitioner" means a staff member holding a current, unrestricted license to practice medicine issued by the Board of Medical Practice or nursing issued by the Board of Nursing and is currently registered with the Drug Enforcement Administration to order or dispense controlled substances in Schedules II to V under the Controlled Substances Act, United States Code, title 21, part B, section 821. Practitioner includes an advanced practice registered nurse and physician assistant if the staff member receives a variance by the state opioid treatment authority under section 254A.03 and the federal Substance Abuse and Mental Health Services Administration.

~~(j)~~ (i) "Unsupervised use" means the use of a medication for the treatment of opioid use disorder dispensed for use by a client outside of the program setting.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 23. Minnesota Statutes 2020, 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.~~

(a) The program must meet the requirements in section 245G.07, subdivision 1, paragraph (a), and must document each occurrence when the program offered the client an individual or group counseling service. If the program offered an individual or group counseling service but did not provide the service to the client, the program must document the reason the service was not provided. If the service is provided, the program must ensure that the staff member who provides the treatment service documents in the client record the date, type, and amount of the treatment service and the client's response to the treatment service within seven days of providing the treatment service.

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

(c) Notwithstanding the requirements of individual treatment plans set forth in section 245G.06:

(1) treatment plan contents for a maintenance client are not required to include goals the client must reach to complete treatment and have services terminated;

(2) treatment plans for a client in a taper or detox status must include goals the client must reach to complete treatment and have services terminated; and

(3) for the ten weeks following the day of service initiation for all new admissions, readmissions, and transfers, a weekly treatment plan review must be documented once the treatment plan is completed. Subsequently, the counselor must document treatment plan reviews in the six dimensions at least once monthly or, when clinical need warrants, more frequently.

Sec. 24. Minnesota Statutes 2021 Supplement, section 245I.23, is amended by adding a subdivision to read:

Subd. 19a. **Additional requirements for locked program facility.** (a) A license holder that prohibits clients from leaving the facility by locking exit doors or other permissible methods must meet the additional requirements of this subdivision.

(b) The license holder must meet all applicable building and fire codes to operate a building with locked exit doors. The license holder must have the appropriate license from the Department of Health, as determined by the Department of Health, for operating a program with locked exit doors.

(c) The license holder's policies and procedures must clearly describe the types of court orders that authorize the license holder to prohibit clients from leaving the facility.

(d) For each client present in the facility under a court order, the license holder must maintain documentation of the court order authorizing the license holder to prohibit the client from leaving the facility.

(e) Upon a client's admission to a locked program facility, the license holder must document in the client file that the client was informed:

(1) that the client has the right to leave the facility according to the client's rights under section 144.651, subdivision 12, if the client is not subject to a court order authorizing the license holder to prohibit the client from leaving the facility; or

(2) that the client cannot leave the facility due to a court order authorizing the license holder to prohibit the client from leaving the facility.

(f) If the license holder prohibits a client from leaving the facility, the client's treatment plan must reflect this restriction.

Sec. 25. Minnesota Statutes 2021 Supplement, section 254A.03, subdivision 3, is amended to read:

Subd. 3. **Rules for substance use disorder care.** (a) ~~The commissioner of human services shall establish by rule criteria to be used in determining the appropriate level of chemical dependency care for each recipient of public assistance seeking treatment for substance misuse or substance use disorder. Upon federal approval of a comprehensive assessment as a Medicaid benefit, or on July 1, 2018, whichever is later, and notwithstanding the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655,~~ An eligible vendor of comprehensive assessments under section 254B.05 may determine ~~and approve~~ the appropriate level of substance use disorder treatment for a recipient of public assistance. ~~The process for determining an individual's financial eligibility for the behavioral health fund or determining an individual's enrollment in or eligibility for a publicly subsidized health plan is not affected by the individual's choice to access a comprehensive assessment for placement.~~

(b) The commissioner shall develop and implement a utilization review process for publicly funded treatment placements to monitor and review the clinical appropriateness and timeliness of all publicly funded placements in treatment.

(c) If a screen result is positive for alcohol or substance misuse, a brief screening for alcohol or substance use disorder that is provided to a recipient of public assistance within a primary care clinic, hospital, or other medical setting or school setting establishes medical necessity and approval for an initial set of substance use disorder services identified in section 254B.05, subdivision 5. The initial set of services approved for a recipient whose screen result is positive may include any combination of up to four hours of individual or group substance use disorder treatment, two hours of substance use disorder treatment coordination, or two hours of substance use

disorder peer support services provided by a qualified individual according to chapter 245G. A recipient must obtain an assessment pursuant to paragraph (a) to be approved for additional treatment services. ~~Minnesota Rules, parts 9530.6600 to 9530.6655, and~~ A comprehensive assessment pursuant to section 245G.05 ~~are not applicable~~ is not required to receive the initial set of services allowed under this subdivision. A positive screen result establishes eligibility for the initial set of services allowed under this subdivision.

(d) ~~Notwithstanding Minnesota Rules, parts 9530.6600 to 9530.6655,~~ An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3~~, paragraph (d)~~. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations. ~~This paragraph expires July 1, 2022.~~

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 26. Minnesota Statutes 2020, section 254A.19, subdivision 1, is amended to read:

Subdivision 1. **Persons arrested outside of ~~home county~~ county of residence.** When a chemical use assessment is required ~~under Minnesota Rules, parts 9530.6600 to 9530.6655,~~ for a person who is arrested and taken into custody by a peace officer outside of the person's county of residence, the ~~assessment must be completed by the person's county of residence no later than three weeks after the assessment is initially requested. If the assessment is not performed within this time limit, the county where the person is to be sentenced shall perform the assessment~~ county where the person is detained must facilitate access to an assessor qualified under subdivision 3. The county of financial responsibility is determined under chapter 256G.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 27. Minnesota Statutes 2020, section 254A.19, subdivision 3, is amended to read:

Subd. 3. **~~Financial conflicts of interest~~ Comprehensive assessments.** ~~(a) Except as provided in paragraph (b), (c), or (d), an assessor conducting a chemical use assessment under Minnesota Rules, parts 9530.6600 to 9530.6655, may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider.~~

~~(b) A county may contract with an assessor having a conflict described in paragraph (a) if the county documents that:~~

~~(1) the assessor is employed by a culturally specific service provider or a service provider with a program designed to treat individuals of a specific age, sex, or sexual preference;~~

~~(2) the county does not employ a sufficient number of qualified assessors and the only qualified assessors available in the county have a direct or shared financial interest or a referral relationship resulting in shared financial gain with a treatment provider; or~~

~~(3) the county social service agency has an existing relationship with an assessor or service provider and elects to enter into a contract with that assessor to provide both assessment and treatment under circumstances specified in the county's contract, provided the county retains responsibility for making placement decisions.~~

~~(c) The county may contract with a hospital to conduct chemical assessments if the requirements in subdivision 1a are met.~~

~~An assessor under this paragraph may not place clients in treatment. The assessor shall gather required information and provide it to the county along with any required documentation. The county shall make all placement decisions for clients assessed by assessors under this paragraph.~~

~~(d)~~ An eligible vendor under section 254B.05 conducting a comprehensive assessment for an individual seeking treatment shall approve the nature, intensity level, and duration of treatment service if a need for services is indicated, but the individual assessed can access any enrolled provider that is licensed to provide the level of service authorized, including the provider or program that completed the assessment. If an individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations. An eligible vendor of a comprehensive assessment must provide information, in a format provided by the commissioner, on medical assistance and the behavioral health fund to individuals seeking an assessment.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 28. Minnesota Statutes 2021 Supplement, section 254A.19, subdivision 4, is amended to read:

Subd. 4. **Civil commitments.** ~~A Rule 25 assessment, under Minnesota Rules, part 9530.6615,~~ For the purposes of determining level of care, a comprehensive assessment does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section ~~253B.065,~~ 253B.09~~,~~ or 253B.095 in order for a county to access the behavioral health fund under section 254B.04. The county must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04. ~~Nothing in this subdivision prohibits placement in a treatment facility or treatment program governed under this chapter or Minnesota Rules, parts 9530.6600 to 9530.6655.~~

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 29. Minnesota Statutes 2020, section 254A.19, is amended by adding a subdivision 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" means a comprehensive assessment and assessment summary completed according to section 245G.05 and a "chemical dependency assessor" or "assessor" means an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 30. Minnesota Statutes 2020, section 254A.19, is amended by adding a subdivision 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" means a comprehensive assessment and assessment summary completed according to section 245G.05 by an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 31. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 2a. **Behavioral health fund.** "Behavioral health fund" means money allocated for payment of treatment services under this chapter.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 32. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 2b. **Client.** "Client" means an individual who has requested substance use disorder services, or for whom substance use disorder services have been requested.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 33. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 2c. **Co-payment.** "Co-payment" means the amount an insured person is obligated to pay before the person's third-party payment source is obligated to make a payment, or the amount an insured person is obligated to pay in addition to the amount the person's third-party payment source is obligated to pay.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 34. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 4c. **Department.** "Department" means the Department of Human Services.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 35. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 4d. **Drug and alcohol abuse normative evaluation system or DAANES.** "Drug and alcohol abuse normative evaluation system" or "DAANES" means the reporting system used to collect substance use disorder treatment data across all levels of care and providers.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 36. Minnesota Statutes 2020, section 254B.01, subdivision 5, is amended to read:

Subd. 5. **Local agency.** "Local agency" means the agency designated by a board of county commissioners, a local social services agency, or a human services board ~~to make placements and submit state invoices according to Laws 1986, chapter 394, sections 8 to 20~~ authorized under section 254B.03, subdivision 1, to determine financial eligibility for the behavioral health fund.

Sec. 37. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 6a. **Minor child.** "Minor child" means an individual under the age of 18 years.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 38. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 6b. **Policy holder.** "Policy holder" means a person who has a third-party payment policy under which a third-party payment source has an obligation to pay all or part of a client's treatment costs.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 39. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 9. **Responsible relative.** "Responsible relative" means a person who is a member of the client's household and is a client's spouse or the parent of a minor child who is a client.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 40. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 10. **Third-party payment source.** "Third-party payment source" means a person, entity, or public or private agency other than medical assistance or general assistance medical care that has a probable obligation to pay all or part of the costs of a client's substance use disorder treatment.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 41. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 11. **Vendor.** "Vendor" means a provider of substance use disorder treatment services that meets the criteria established in section 254B.05 and that has applied to participate as a provider in the medical assistance program according to Minnesota Rules, part 9505.0195.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 42. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 12. **American Society of Addiction Medicine criteria or ASAM criteria.** "American Society of Addiction Medicine criteria" or "ASAM criteria" means the clinical guidelines for purposes of the assessment, treatment, placement, and transfer or discharge of individuals with substance use disorders. The ASAM criteria are contained in the current edition of the ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 43. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 13. **Skilled treatment services.** "Skilled treatment services" means the "treatment services" described by section 245G.07, subdivisions 1, paragraph (a), clauses (1) to (4); and 2, clauses (1) to (6). Skilled treatment services must be provided by qualified professionals as identified in section 245G.07, subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 44. Minnesota Statutes 2020, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. **Local agency duties.** (a) Every local agency ~~shall~~ must determine financial eligibility for substance use disorder services and provide ~~chemical dependency~~ substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner ~~for placement in a chemical dependency residential or nonresidential treatment service~~. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the commissioner of human services shall select eligible vendors of chemical dependency services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an

eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

~~(c) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.~~

~~(d) Notwithstanding Minnesota Rules, parts 9530.6600 to 9530.6655,~~ (c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3~~, paragraph (d)~~. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

~~(e)~~ (d) Beginning July 1, 2022, local agencies shall not make placement location determinations.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 45. Minnesota Statutes 2021 Supplement, section 254B.03, subdivision 2, is amended to read:

Subd. 2. **Behavioral health fund payment.** (a) Payment from the behavioral health fund is limited to payments for services identified in section 254B.05, other than detoxification licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, and detoxification provided in another state that would be required to be licensed as a chemical dependency program if the program were in the state. Out of state vendors must also provide the commissioner with assurances that the program complies substantially with state licensing requirements and possesses all licenses and certifications required by the host state to provide chemical dependency treatment. Vendors receiving payments from the behavioral health fund must not require co-payment from a recipient of benefits for services provided under this subdivision. The vendor is prohibited from using the client's public benefits to offset the cost of services paid under this section. The vendor shall not require the client to use public benefits for room or board costs. This includes but is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP benefits. Retention of SNAP benefits is a right of a client receiving services through the behavioral health fund or through state contracted managed care entities. Payment from the behavioral health fund shall be made for necessary room and board costs provided by vendors meeting the criteria under section 254B.05, subdivision 1a, or in a community hospital licensed by the commissioner of health according to sections 144.50 to 144.56 to a client who is:

(1) determined to meet the criteria for placement in a residential chemical dependency treatment program according to rules adopted under section 254A.03, subdivision 3; and

(2) concurrently receiving a chemical dependency treatment service in a program licensed by the commissioner and reimbursed by the behavioral health fund.

~~(b) A county may, from its own resources, provide chemical dependency services for which state payments are not made. A county may elect to use the same invoice procedures and obtain the same state payment services as are used for chemical dependency services for which state payments are made under this section if county payments are made to the state in advance of state payments to vendors. When a county uses the state system for payment, the commissioner shall make monthly billings to the county using the most recent available information to determine the anticipated services for which payments will be made in the coming month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.~~

~~(c)~~ (b) The commissioner shall coordinate chemical dependency services and determine whether there is a need for any proposed expansion of chemical dependency treatment services. The commissioner shall deny vendor certification to any provider that has not received prior approval from the commissioner for the creation of new programs or the expansion of existing program capacity. The commissioner shall consider the provider's capacity to obtain clients from outside the state based on plans, agreements, and previous utilization history, when determining the need for new treatment services.

~~(d)~~ (c) At least 60 days prior to submitting an application for new licensure under chapter 245G, the applicant must notify the county human services director in writing of the applicant's intent to open a new treatment program. The written notification must include, at a minimum:

(1) a description of the proposed treatment program; and

(2) a description of the target population to be served by the treatment program.

~~(e)~~ (d) The county human services director may submit a written statement to the commissioner, within 60 days of receiving notice from the applicant, regarding the county's support of or opposition to the opening of the new treatment program. The written statement must include documentation of the rationale for the county's determination. The commissioner shall consider the county's written statement when determining whether there is a need for the treatment program as required by paragraph ~~(c)~~ (b).

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 46. Minnesota Statutes 2020, section 254B.03, subdivision 4, is amended to read:

Subd. 4. **Division of costs.** (a) Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out of local money, pay the state for 22.95 percent of the cost of chemical dependency services, except for those services provided to persons enrolled in medical assistance under chapter 256B and room and board services under section 254B.05, subdivision 5, paragraph (b), clause ~~(12)~~ (11). Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section.

(b) 22.95 percent of any state collections from private or third-party pay, less 15 percent for the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section.

Sec. 47. Minnesota Statutes 2020, section 254B.03, subdivision 5, is amended to read:

Subd. 5. **Rules; appeal.** The commissioner shall adopt rules as necessary to implement this chapter. ~~The commissioner shall establish an appeals process for use by recipients when services certified by the county are disputed. The commissioner shall adopt rules and standards for the appeal process to assure adequate redress for persons referred to inappropriate services.~~

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 48. Minnesota Statutes 2021 Supplement, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. **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 chemical dependency treatment pursuant to an assessment under section 260E.20, subdivision 1, or 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), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause ~~(12)~~ (11).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund if:

(1) the client is eligible for MFIP as determined under chapter 256J;

(2) the client is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150;

(3) the client is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1272; or

(4) the client's income 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 by the behavioral health fund 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 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 this section.

(h) If 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 payment to the regional treatment center according to section 254B.05, subdivision 4.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 49. Minnesota Statutes 2020, section 254B.04, subdivision 2a, is amended to read:

Subd. 2a. **Eligibility for ~~treatment in residential settings~~ room and board services for persons in outpatient substance use disorder treatment.** ~~Notwithstanding provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's discretion in making placements to residential treatment settings,~~ A person eligible for room and board services under ~~this~~ section 254B.05, subdivision 5, paragraph (b), clause (12), must score at level 4 on assessment dimensions related to readiness to change, relapse, continued use, or recovery environment ~~in order~~ to be assigned to services with a room and board component reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 50. Minnesota Statutes 2020, section 254B.04, is amended by adding a subdivision to read:

Subd. 4. **Assessment criteria and risk descriptions.** (a) The level of care determination must follow criteria approved by the commissioner.

(b) Dimension 1: the vendor must use the criteria in Dimension 1 to determine a client's acute intoxication and withdrawal potential.

(1) "0" The client displays full functioning with good ability to tolerate and cope with withdrawal discomfort. The client displays no signs or symptoms of intoxication or withdrawal or diminishing signs or symptoms.

(2) "1" The client can tolerate and cope with withdrawal discomfort. The client displays mild to moderate intoxication or signs and symptoms interfering with daily functioning but does not immediately endanger self or others. The client poses minimal risk of severe withdrawal.

(3) "2" The client has some difficulty tolerating and coping with withdrawal discomfort. The client's intoxication may be severe, but the client responds to support and treatment such that the client does not immediately endanger self or others. The client displays moderate signs and symptoms with moderate risk of severe withdrawal.

(4) "3" The client tolerates and copes with withdrawal discomfort poorly. The client has severe intoxication, such that the client endangers self or others, or has intoxication that has not abated with less intensive services. The client displays severe signs and symptoms, risk of severe but manageable withdrawal, or worsening withdrawal despite detoxification at a less intensive level.

(5) "4" The client is incapacitated with severe signs and symptoms. The client displays severe withdrawal and is a danger to self or others.

(c) Dimension 2: the vendor must use the criteria in Dimension 2 to determine a client's biomedical conditions and complications.

(1) "0" The client displays full functioning with good ability to cope with physical discomfort.

(2) "1" The client tolerates and copes with physical discomfort and is able to get the services that the client needs.

(3) "2" The client has difficulty tolerating and coping with physical problems or has other biomedical problems that interfere with recovery and treatment. The client neglects or does not seek care for serious biomedical problems.

(4) "3" The client tolerates and copes poorly with physical problems or has poor general health. The client neglects the client's medical problems without active assistance.

(5) "4" The client is unable to participate in substance use disorder treatment and has severe medical problems, has a condition that requires immediate intervention, or is incapacitated.

(d) Dimension 3: the vendor must use the criteria in Dimension 3 to determine a client's emotional, behavioral, and cognitive conditions and complications.

(1) "0" The client has good impulse control and coping skills and presents no risk of harm to self or others. The client functions in all life areas and displays no emotional, behavioral, or cognitive problems or the problems are stable.

(2) "1" The client has impulse control and coping skills. The client presents a mild to moderate risk of harm to self or others or displays symptoms of emotional, behavioral, or cognitive problems. The client has a mental health diagnosis and is stable. The client functions adequately in significant life areas.

(3) "2" The client has difficulty with impulse control and lacks coping skills. The client has thoughts of suicide or harm to others without means; however, the thoughts may interfere with participation in some activities. The client has difficulty functioning in significant life areas. The client has moderate symptoms of emotional, behavioral, or cognitive problems. The client is able to participate in most treatment activities.

(4) "3" The client has a severe lack of impulse control and coping skills. The client also has frequent thoughts of suicide or harm to others, including a plan and the means to carry out the plan. In addition, the client is severely impaired in significant life areas and has severe symptoms of emotional, behavioral, or cognitive problems that interfere with the client's participation in treatment activities.

(5) "4" The client has severe emotional or behavioral symptoms that place the client or others at acute risk of harm. The client also has intrusive thoughts of harming self or others. The client is unable to participate in treatment activities.

(e) Dimension 4: the vendor must use the criteria in Dimension 4 to determine a client's readiness for change.

(1) "0" The client admits to problems and is cooperative, motivated, ready to change, committed to change, and engaged in treatment as a responsible participant.

(2) "1" The client is motivated with active reinforcement to explore treatment and strategies for change but ambivalent about the client's illness or need for change.

(3) "2" The client displays verbal compliance but lacks consistent behaviors, has low motivation for change, and is passively involved in treatment.

(4) "3" The client displays inconsistent compliance, has minimal awareness of either the client's addiction or mental disorder, and is minimally cooperative.

(5) "4" The client is:

(i) noncompliant with treatment and has no awareness of addiction or mental disorder and does not want or is unwilling to explore change or is in total denial of the client's illness and its implications; or

(ii) dangerously oppositional to the extent that the client is a threat of imminent harm to self and others.

(f) Dimension 5: the vendor must use the criteria in Dimension 5 to determine a client's relapse, continued substance use, and continued problem potential.

(1) "0" The client recognizes risk well and is able to manage potential problems.

(2) "1" The client recognizes relapse issues and prevention strategies, but displays some vulnerability for further substance use or mental health problems.

(3) "2" The client has minimal recognition and understanding of relapse and recidivism issues and displays moderate vulnerability for further substance use or mental health problems. The client has some coping skills inconsistently applied.

(4) "3" The client has poor recognition and understanding of relapse and recidivism issues and displays moderately high vulnerability for further substance use or mental health problems. The client has few coping skills and rarely applies coping skills.

(5) "4" The client has no coping skills to arrest mental health or addiction illnesses or to prevent relapse. The client has no recognition or understanding of relapse and recidivism issues and displays high vulnerability for further substance use or mental health problems.

(g) Dimension 6: the vendor must use the criteria in Dimension 6 to determine a client's recovery environment.

(1) "0" The client is engaged in structured, meaningful activity and has a supportive significant other, family, and living environment.

(2) "1" The client has passive social network support or the client's family and significant other are not interested in the client's recovery. The client is engaged in structured, meaningful activity.

(3) "2" The client is engaged in structured, meaningful activity, but the client's peers, family, significant other, and living environment are unsupportive, or there is criminal justice system involvement by the client or among the client's peers or significant other or in the client's living environment.

(4) "3" The client is not engaged in structured, meaningful activity and the client's peers, family, significant other, and living environment are unsupportive, or there is significant criminal justice system involvement.

(5) "4" The client has:

(i) a chronically antagonistic significant other, living environment, family, or peer group or long-term criminal justice system involvement that is harmful to the client's recovery or treatment progress; or

(ii) an actively antagonistic significant other, family, work, or living environment, with an immediate threat to the client's safety and well-being.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 51. Minnesota Statutes 2020, section 254B.04, is amended by adding a subdivision to read:

Subd. 5. **Scope and applicability.** This section governs administration of the behavioral health fund, establishes the criteria to be applied by local agencies to determine a client's financial eligibility under the behavioral health fund, and determines a client's obligation to pay for substance use disorder treatment services.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 52. Minnesota Statutes 2020, section 254B.04, is amended by adding a subdivision to read:

Subd. 6. **Local agency responsibility to provide services.** The local agency may employ individuals to conduct administrative activities and facilitate access to substance use disorder treatment services.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 53. Minnesota Statutes 2020, section 254B.04, is amended by adding a subdivision to read:

Subd. 7. **Local agency to determine client financial eligibility.** (a) The local agency shall determine a client's financial eligibility for the behavioral health fund according to subdivision 1 with the income calculated prospectively for one year from the date of comprehensive assessment. The local agency shall pay for eligible clients according to chapter 256G. The local agency shall enter the financial eligibility span within ten calendar days of request. Client eligibility must be determined using forms prescribed by the commissioner. The local agency must determine a client's eligibility as follows:

(1) The local agency must determine the client's income. A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.

(2) The local agency must determine the client's household size according to the following:

(i) If the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(A) the client;

(B) the client's birth or adoptive parents; and

(C) the client's siblings who are minors.

(ii) If the client is an adult, the household size includes the following persons living in the same dwelling unit:

(A) the client;

(B) the client's spouse;

(C) the client's minor children; and

(D) the client's spouse's minor children.

(iii) Household size includes a person listed in items (i) and (ii) who is in out-of-home placement if a person listed in item (i) or (ii) is contributing to the cost of care of the person in out-of-home placement.

(3) The local agency must determine the client's current prepaid health plan enrollment and the availability of a third-party payment source, including the availability of total or partial payment and the amount of co-payment.

(4) The local agency must provide the required eligibility information to the commissioner in the manner specified by the commissioner.

(5) The local agency must require the client and policyholder to conditionally assign to the department the client's and policyholder's rights and the rights of minor children to benefits or services provided to the client if the commissioner is required to collect from a third-party payment source.

(b) The local agency must redetermine a client's eligibility for the behavioral health fund every 12 months.

(c) A client, responsible relative, and policyholder must provide income or wage verification and household size verification under paragraph (a), clause (3), and must make an assignment of third-party payment rights under paragraph (a), clause (5). If a client, responsible relative, or policyholder does not comply with this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative are obligated to pay the full cost of substance use disorder treatment services provided to the client.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 54. Minnesota Statutes 2020, section 254B.04, is amended by adding a subdivision to read:

Subd. 8. **Client fees.** A client whose household income is within current household size and income guidelines for entitled persons as defined in subdivision 1 must pay no fee.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 55. Minnesota Statutes 2020, section 254B.04, is amended by adding a subdivision to read:

Subd. 9. **Vendor must participate in DAANES.** To be eligible for payment under the behavioral health fund, a vendor must participate in DAANES or submit to the commissioner the information required in DAANES in the format specified by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 56. Minnesota Statutes 2021 Supplement, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) Effective January 1, 2000, 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 24 hours per day;

(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.

~~(c)~~ (d) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

Sec. 57. Minnesota Statutes 2021 Supplement, section 254B.05, subdivision 4, is amended to read:

Subd. 4. **Regional treatment centers.** Regional treatment center chemical dependency treatment units are eligible vendors. The commissioner may expand the capacity of chemical dependency treatment units beyond the capacity funded by direct legislative appropriation to serve individuals who are referred for treatment by counties and whose treatment will be paid for by funding under this chapter or other funding sources. Notwithstanding the provisions of sections 254B.03 to ~~254B.041~~ 254B.04, payment for any person committed at county request to a regional treatment center under chapter 253B for chemical dependency treatment and determined to be ineligible under the behavioral health fund, shall become the responsibility of the county.

Sec. 58. Minnesota Statutes 2021 Supplement, 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) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;~~

(1) outpatient treatment services licensed according to sections 245G.01 to 245G.17, or applicable Tribal license, including:

(i) ASAM 1.0 Outpatient: zero to eight hours per week of skilled treatment services for adults and zero to five hours per week for adolescents. Peer recovery and treatment coordination may be provided beyond the skilled treatment service hours allowable per week; and

(ii) ASAM 2.1 Intensive Outpatient: nine or more hours per week of skilled treatment services for adults and six or more hours per week for adolescents in accordance with the limitations in paragraph (h). Peer recovery and treatment coordination may be provided beyond the skilled treatment service hours allowable per week;

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) care 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) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management services provided according to chapter 245F;

(6) ~~medication-assisted therapy services that are~~ substance use disorder treatment with medication for opioid use disorders provided in an opioid treatment program that is licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

~~(7) medication-assisted therapy plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;~~

~~(8)~~ (7) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

~~(9)~~ (8) 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;

~~(10)~~ (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;

~~(11)~~ (10) high-intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of clinical services each week 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

~~(12)~~ (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) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; 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 two hours 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 chemical dependency problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals, as defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and licensed mental health professional, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance abuse disorders 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 chemical dependency facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.

(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 (4), items (i) to (iv).

(f) Subject to federal approval, 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.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 59. Minnesota Statutes 2020, section 256.042, subdivision 1, is amended to read:

Subdivision 1. **Establishment of the advisory council.** (a) The Opiate Epidemic Response Advisory Council is established to develop and implement a comprehensive and effective statewide effort to address the opioid addiction and overdose epidemic in Minnesota. The council shall focus on:

(1) prevention and education, including public education and awareness for adults and youth, prescriber education, the development and sustainability of opioid overdose prevention and education programs, the role of adult protective services in prevention and response, and providing financial support to local law enforcement agencies for opiate antagonist programs;

(2) training on the treatment of opioid addiction, including the use of all Food and Drug Administration approved opioid addiction medications, detoxification, relapse prevention, patient assessment, individual treatment planning, counseling, recovery supports, diversion control, and other best practices;

(3) the expansion and enhancement of a continuum of care for opioid-related substance use disorders, including primary prevention, early intervention, treatment, recovery, and aftercare services; and

(4) the development of measures to assess and protect the ability of cancer patients and survivors, persons battling life-threatening illnesses, persons suffering from severe chronic pain, and persons at the end stages of life, who legitimately need prescription pain medications, to maintain their quality of life by accessing these pain medications without facing unnecessary barriers. The measures must also address the needs of individuals described in this clause who are elderly or who reside in underserved or rural areas of the state.

(b) The council shall:

(1) review local, state, and federal initiatives and activities related to education, prevention, treatment, and services for individuals and families experiencing and affected by opioid use disorder;

(2) establish priorities to address the state's opioid epidemic, for the purpose of recommending initiatives to fund;

(3) recommend to the commissioner of human services specific projects and initiatives to be funded;

(4) ensure that available funding is allocated to align with other state and federal funding, to achieve the greatest impact and ensure a coordinated state effort;

(5) consult with the commissioners of human services, health, and management and budget to develop measurable outcomes to determine the effectiveness of funds allocated; ~~and~~

(6) develop recommendations for an administrative and organizational framework for the allocation, on a sustainable and ongoing basis, of any money deposited into the separate account under section 16A.151, subdivision 2, paragraph (f), in order to address the opioid abuse and overdose epidemic in Minnesota and the areas of focus specified in paragraph (a)~~.~~;

(7) review reports, data, and performance measures submitted by municipalities, as defined in section 466.01, subdivision 1, in receipt of direct payments from settlement agreements, as described in section 256.043, subdivision 4; and

(8) consult with relevant stakeholders, including lead agencies and municipalities, to review and provide recommendations for necessary revisions to required reporting to ensure the reporting reflects measures of progress in addressing the harms of the opioid epidemic.

(c) The council, in consultation with the commissioner of management and budget, and within available appropriations, shall select from the awarded grants projects or may select municipality projects funded by settlement monies as described in section 256.043, subdivision 4, that include promising practices or theory-based activities for which the commissioner of management and budget shall conduct evaluations using experimental or quasi-experimental design. Grants awarded to proposals or municipality projects funded by settlement monies that include promising practices or theory-based activities and that are selected for an evaluation shall be administered to support the experimental or quasi-experimental evaluation and require grantees and municipality projects to collect and report information that is needed to complete the evaluation. The commissioner of management and budget, under section 15.08, may obtain additional relevant data to support the experimental or quasi-experimental evaluation studies. For the purposes of this paragraph, "municipality" has the meaning given in section 466.01, subdivision 1.

(d) The council, in consultation with the commissioners of human services, health, public safety, and management and budget, shall establish goals related to addressing the opioid epidemic and determine a baseline against which progress shall be monitored and set measurable outcomes, including benchmarks. The goals established must include goals for prevention and public health, access to treatment, and multigenerational impacts. The council shall use existing measures and data collection systems to determine baseline data against which progress shall be measured. The council shall include the proposed goals, the measurable outcomes, and proposed benchmarks to meet these goals in its initial report to the legislature under subdivision 5, paragraph (a), due January 31, 2021.

Sec. 60. Minnesota Statutes 2020, section 256.042, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The council shall consist of the following ~~19~~ 30 voting members, appointed by the commissioner of human services except as otherwise specified, and three nonvoting members:

(1) two members of the house of representatives, appointed in the following sequence: the first from the majority party appointed by the speaker of the house and the second from the minority party appointed by the minority leader. Of these two members, one member must represent a district outside of the seven-county metropolitan area, and one member must represent a district that includes the seven-county metropolitan area. The appointment by the minority leader must ensure that this requirement for geographic diversity in appointments is met;

(2) two members of the senate, appointed in the following sequence: the first from the majority party appointed by the senate majority leader and the second from the minority party appointed by the senate minority leader. Of these two members, one member must represent a district outside of the seven-county metropolitan area and one member must represent a district that includes the seven-county metropolitan area. The appointment by the minority leader must ensure that this requirement for geographic diversity in appointments is met;

(3) one member appointed by the Board of Pharmacy;

(4) one member who is a physician appointed by the Minnesota Medical Association;

(5) one member representing opioid treatment programs, sober living programs, or substance use disorder programs licensed under chapter 245G;

(6) one member appointed by the Minnesota Society of Addiction Medicine who is an addiction psychiatrist;

(7) one member representing professionals providing alternative pain management therapies, including, but not limited to, acupuncture, chiropractic, or massage therapy;

(8) one member representing nonprofit organizations conducting initiatives to address the opioid epidemic, with the commissioner's initial appointment being a member representing the Steve Rummler Hope Network, and subsequent appointments representing this or other organizations;

(9) one member appointed by the Minnesota Ambulance Association who is serving with an ambulance service as an emergency medical technician, advanced emergency medical technician, or paramedic;

(10) one member representing the Minnesota courts who is a judge or law enforcement officer;

(11) one public member who is a Minnesota resident and who is in opioid addiction recovery;

(12) ~~two~~ 11 members representing Indian tribes, one representing ~~the Ojibwe tribes and one representing the Dakota tribes~~ each of Minnesota's Tribal Nations;

(13) two members representing the urban American Indian population;

~~(13)~~ (14) one public member who is a Minnesota resident and who is suffering from chronic pain, intractable pain, or a rare disease or condition;

~~(14)~~ (15) one mental health advocate representing persons with mental illness;

~~(15)~~ (16) one member appointed by the Minnesota Hospital Association;

~~(16)~~ (17) one member representing a local health department; and

~~(17)~~ (18) the commissioners of human services, health, and corrections, or their designees, who shall be ex officio nonvoting members of the council.

(b) The commissioner of human services shall coordinate the commissioner's appointments to provide geographic, racial, and gender diversity, and shall ensure that at least one-half of council members appointed by the commissioner reside outside of the seven-county metropolitan area and that at least one-half of the members have lived experience with opiate addiction. Of the members appointed by the commissioner, to the extent practicable, at least one member must represent a community of color disproportionately affected by the opioid epidemic.

(c) The council is governed by section 15.059, except that members of the council shall serve three-year terms and shall receive no compensation other than reimbursement for expenses. Notwithstanding section 15.059, subdivision 6, the council shall not expire.

(d) The chair shall convene the council at least quarterly, and may convene other meetings as necessary. The chair shall convene meetings at different locations in the state to provide geographic access, and shall ensure that at least one-half of the meetings are held at locations outside of the seven-county metropolitan area.

(e) The commissioner of human services shall provide staff and administrative services for the advisory council.

(f) The council is subject to chapter 13D.

Sec. 61. Minnesota Statutes 2021 Supplement, section 256.042, subdivision 4, is amended to read:

Subd. 4. **Grants.** (a) The commissioner of human services shall submit a report of the grants proposed by the advisory council to be awarded for the upcoming calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, by December 1 of each year, beginning March 1, 2020.

(b) The grants shall be awarded to proposals selected by the advisory council that address the priorities in subdivision 1, paragraph (a), clauses (1) to (4), unless otherwise appropriated by the legislature. The advisory council shall determine grant awards and funding amounts based on the funds appropriated to the commissioner under section 256.043, subdivision 3, paragraph (e). The commissioner shall award the grants from the opiate epidemic response fund and administer the grants in compliance with section 16B.97. No more than ten percent of the grant amount may be used by a grantee for administration. The commissioner must award at least 40 percent of grants to projects that include a focus on addressing the opiate crisis in Black and Indigenous communities and communities of color.

Sec. 62. Minnesota Statutes 2020, section 256.042, subdivision 5, is amended to read:

Subd. 5. **Reports.** (a) The advisory council shall report annually to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by January 31 of each year~~, beginning January 31, 2021~~. The report shall include information about the individual projects that receive grants, the municipality projects funded by settlement monies as described in section 256.043, subdivision 4, and the overall role of the ~~project~~ projects in addressing the opioid addiction and overdose epidemic in Minnesota. The report must describe the grantees and the activities implemented, along with measurable outcomes as determined by the council in consultation with the commissioner of human services and the commissioner of management and budget. At a minimum, the report must include information about the number of individuals who received information or treatment, the outcomes the individuals achieved, and demographic information about the individuals participating in the project; an assessment of the progress toward achieving statewide access to qualified providers and comprehensive treatment and recovery services; and an update on the evaluations implemented by the commissioner of management and budget for the promising practices and theory-based projects that receive funding.

(b) The commissioner of management and budget, in consultation with the Opiate Epidemic Response Advisory Council, shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance when an evaluation study described in subdivision 1, paragraph (c), is

complete on the promising practices or theory-based projects that are selected for evaluation activities. The report shall include demographic information; outcome information for the individuals in the program; the results for the program in promoting recovery, employment, family reunification, and reducing involvement with the criminal justice system; and other relevant outcomes determined by the commissioner of management and budget that are specific to the projects that are evaluated. The report shall include information about the ability of grant programs to be scaled to achieve the statewide results that the grant project demonstrated.

(c) The advisory council, in its annual report to the legislature under paragraph (a) due by January 31, 2024, shall include recommendations on whether the appropriations to the specified entities under Laws 2019, chapter 63, should be continued, adjusted, or discontinued; whether funding should be appropriated for other purposes related to opioid abuse prevention, education, and treatment; and on the appropriate level of funding for existing and new uses.

(d) Municipalities receiving direct payments for settlement agreements as described in section 256.043, subdivision 4, must annually report to the commissioner on how the funds were used on opioid remediation. The report must be submitted in a format prescribed by the commissioner. The report must include data and measurable outcomes on expenditures funded with opioid settlement funds, as identified by the commissioner, including details on services drawn from the categories of approved uses, as identified in agreements between the state of Minnesota, the Association of Minnesota Counties, and the League of Minnesota Cities. Minimum reporting requirements must include:

(1) contact information;

(2) information on funded services and programs; and

(3) target populations for each funded service and program.

(e) In reporting data and outcomes under paragraph (d), municipalities should include information on the use of evidence-based and culturally relevant services, to the extent feasible.

(f) Reporting requirements for municipal projects using $25,000 or more of settlement funds in a calendar year must also include:

(1) a brief qualitative description of successes or challenges; and

(2) results using process and quality measures.

(g) For the purposes of this subdivision, "municipality" or "municipalities" has the meaning given in section 466.01, subdivision 1.

Sec. 63. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 5m, is amended to read:

Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical assistance covers services provided by a not-for-profit certified community behavioral health clinic (CCBHC) ~~services~~ that ~~meet~~ meets the requirements of section 245.735, subdivision 3.

(b) The commissioner shall reimburse CCBHCs on a ~~per visit~~ per-day basis ~~under the prospective payment~~ for each day that an eligible service is delivered using the CCBHC daily bundled rate system for medical assistance payments as described in paragraph (c). The commissioner shall include a quality incentive payment in the ~~prospective payment~~ CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC ~~prospective payment~~ daily bundled rate system.

(c) The commissioner shall ensure that the ~~prospective payment~~ CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the ~~prospective payment~~ CCBHC daily bundled rate shall be a provider-specific rate calculated for each CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable CCBHC costs ~~for CCBHCs~~ divided by the total annual number of CCBHC visits. For calculating the payment rate, total annual visits include visits covered by medical assistance and visits not covered by medical assistance. Allowable costs include but are not limited to the salaries and benefits of medical assistance providers; the cost of CCBHC services provided under section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as insurance or supplies needed to provide CCBHC services;

(2) payment shall be limited to one payment per day per medical assistance enrollee ~~for each~~ when an eligible CCBHC ~~visit eligible for reimbursement~~ service is provided. A CCBHC visit is eligible for reimbursement if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or licensed agency employed by or under contract with a CCBHC;

(3) ~~new payment~~ initial CCBHC daily bundled rates ~~set by the commissioner~~ for newly certified CCBHCs under section 245.735, subdivision 3, shall be ~~based on rates for established CCBHCs with a similar scope of services. If no comparable CCBHC exists, the commissioner shall establish a clinic specific rate using audited historical cost report data adjusted for the estimated cost of delivering CCBHC services, including the estimated cost of providing the full scope of services and the projected change in visits resulting from the change in scope~~ established by the commissioner using a provider-specific rate based on the newly certified CCBHC's audited historical cost report data adjusted for the expected cost of delivering CCBHC services. Estimates are subject to review by the commissioner and must include the expected cost of providing the full scope of CCBHC services and the expected number of visits for the rate period;

(4) the commissioner shall rebase CCBHC rates once every three years following the last rebasing and no less than 12 months following an initial rate or a rate change due to a change in the scope of services;

(5) the commissioner shall provide for a 60-day appeals process after notice of the results of the rebasing;

(6) the ~~prospective payment~~ CCBHC daily bundled rate under this section does not apply to services rendered by CCBHCs to individuals who are dually eligible for Medicare and medical assistance when Medicare is the primary payer for the service. An entity that receives a ~~prospective payment~~ CCBHC daily bundled rate system ~~rate~~ that overlaps with the CCBHC rate is not eligible for the CCBHC rate;

(7) payments for CCBHC services to individuals enrolled in managed care shall be coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall complete the phase-out of CCBHC wrap payments within 60 days of the implementation of the ~~prospective payment~~ CCBHC daily bundled rate system in the Medicaid Management Information System (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments due made payable to CCBHCs no later than 18 months thereafter;

(8) the ~~prospective payment~~ CCBHC daily bundled rate for each CCBHC shall be updated by trending each provider-specific rate by the Medicare Economic Index for primary care services. This update shall occur each year in between rebasing periods determined by the commissioner in accordance with clause (4). CCBHCs must provide data on costs and visits to the state annually using the CCBHC cost report established by the commissioner; and

(9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of services when such changes are expected to result in an adjustment to the CCBHC payment rate by 2.5 percent or more. The CCBHC must provide the commissioner with information regarding the changes in the scope of services, including the estimated

cost of providing the new or modified services and any projected increase or decrease in the number of visits resulting from the change. Estimated costs are subject to review by the commissioner. Rate adjustments for changes in scope shall occur no more than once per year in between rebasing periods per CCBHC and are effective on the date of the annual CCBHC rate update.

(d) Managed care plans and county-based purchasing plans shall reimburse CCBHC providers at the ~~prospective payment~~ CCBHC daily bundled rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by CCBHC providers. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner shall implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the ~~prospective payment~~ CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC shall receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner shall notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section shall be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b), and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.

If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on January 1 of the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on July 1 of the following year.

Sec. 64. Minnesota Statutes 2020, section 256B.0757, subdivision 5, is amended to read:

Subd. 5. **Payments.** The commissioner shall ~~make payments to each designated provider for the provision of~~ establish a single statewide reimbursement rate for health home services ~~described in subdivision 3 to each eligible individual under subdivision 2 that selects the health home as a provider~~ under this section. In setting this rate, the commissioner must include input from stakeholders, including providers of the services. The statewide reimbursement rate shall be adjusted annually to match the growth in the Medicare Economic Index.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 65. Minnesota Statutes 2021 Supplement, section 256B.0759, subdivision 4, is amended to read:

Subd. 4. **Provider payment rates.** (a) Payment rates for participating providers must be increased for services provided to medical assistance enrollees. To receive a rate increase, participating providers must meet demonstration project requirements and provide evidence of formal referral arrangements with providers delivering step-up or step-down levels of care. Providers that have enrolled in the demonstration project but have not met the provider standards under subdivision 3 as of July 1, 2022, are not eligible for a rate increase under this subdivision until the date that the provider meets the provider standards in subdivision 3. Services provided from July 1, 2022, to the date that the provider meets the provider standards under subdivision 3 shall be reimbursed at rates according to section 254B.05, subdivision 5, paragraph (b). Rate increases paid under this subdivision to a provider for services provided between July 1, 2021, and July 1, 2022, are not subject to recoupment when the provider is taking meaningful steps to meet demonstration project requirements that are not otherwise required by law, and the provider provides documentation to the commissioner, upon request, of the steps being taken.

(b) The commissioner may temporarily suspend payments to the provider according to section 256B.04, subdivision 21, paragraph (d), if the provider does not meet the requirements in paragraph (a). Payments withheld from the provider must be made once the commissioner determines that the requirements in paragraph (a) are met.

(c) For substance use disorder services under section 254B.05, subdivision 5, paragraph (b), clause ~~(8)~~ (7), provided on or after July 1, 2020, payment rates must be increased by 25 percent over the rates in effect on December 31, 2019.

(d) For substance use disorder services under section 254B.05, subdivision 5, paragraph (b), clauses (1)~~,~~ and (6), ~~and (7),~~ and adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18, provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020.

(e) Effective January 1, 2021, and contingent on annual federal approval, managed care plans and county-based purchasing plans must reimburse providers of the substance use disorder services meeting the criteria described in paragraph (a) who are employed by or under contract with the plan an amount that is at least equal to the fee-for-service base rate payment for the substance use disorder services described in paragraphs (c) and (d). The commissioner must monitor the effect of this requirement on the rate of access to substance use disorder services and residential substance use disorder rates. Capitation rates paid to managed care organizations and county-based purchasing plans must reflect the impact of this requirement. This paragraph expires if federal approval is not received at any time as required under this paragraph.

(f) Effective July 1, 2021, contracts between managed care plans and county-based purchasing plans and providers to whom paragraph (e) applies must allow recovery of payments from those providers if, for any contract year, federal approval for the provisions of paragraph (e) is not received, and capitation rates are adjusted as a result. Payment recoveries must not exceed the amount equal to any decrease in rates that results from this provision.

Sec. 66. Minnesota Statutes 2020, section 256B.0941, is amended by adding a subdivision to read:

Subd. 2a. **Sleeping hours.** During normal sleeping hours, a psychiatric residential treatment facility provider must provide at least one staff person for every six residents present within a living unit. A provider must adjust sleeping-hour staffing levels based on the clinical needs of the residents in the facility.

Sec. 67. Minnesota Statutes 2020, section 256B.0941, subdivision 3, is amended to read:

Subd. 3. **Per diem rate.** (a) The commissioner must establish one per diem rate per provider for psychiatric residential treatment facility services for individuals 21 years of age or younger. The rate for a provider must not exceed the rate charged by that provider for the same service to other payers. Payment must not be made to more than one entity for each individual for services provided under this section on a given day. The commissioner must set rates prospectively for the annual rate period. The commissioner must require providers to submit annual cost reports on a uniform cost reporting form and must use submitted cost reports to inform the rate-setting process. The cost reporting must be done according to federal requirements for Medicare cost reports.

(b) The following are included in the rate:

(1) costs necessary for licensure and accreditation, meeting all staffing standards for participation, meeting all service standards for participation, meeting all requirements for active treatment, maintaining medical records, conducting utilization review, meeting inspection of care, and discharge planning. The direct services costs must be determined using the actual cost of salaries, benefits, payroll taxes, and training of direct services staff and service-related transportation; and

(2) payment for room and board provided by facilities meeting all accreditation and licensing requirements for participation.

(c) A facility may submit a claim for payment outside of the per diem for professional services arranged by and provided at the facility by an appropriately licensed professional who is enrolled as a provider with Minnesota health care programs. Arranged services may be billed by either the facility or the licensed professional. These services must be included in the individual plan of care and are subject to prior authorization.

(d) Medicaid must reimburse for concurrent services as approved by the commissioner to support continuity of care and successful discharge from the facility. "Concurrent services" means services provided by another entity or provider while the individual is admitted to a psychiatric residential treatment facility. Payment for concurrent services may be limited and these services are subject to prior authorization by the state's medical review agent. Concurrent services may include targeted case management, assertive community treatment, clinical care consultation, team consultation, and treatment planning.

(e) Payment rates under this subdivision must not include the costs of providing the following services:

(1) educational services;

(2) acute medical care or specialty services for other medical conditions;

(3) dental services; and

(4) pharmacy drug costs.

(f) For purposes of this section, "actual cost" means costs that are allowable, allocable, reasonable, and consistent with federal reimbursement requirements in Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and the Office of Management and Budget Circular Number A-122, relating to nonprofit entities.

(g) The commissioner shall consult with providers and stakeholders to develop an assessment tool that identifies when a child with a medical necessity for psychiatric residential treatment facility level of care will require specialized care planning, including but not limited to a one-on-one staffing ratio in a living environment. The commissioner must develop the tool based on clinical and safety review and recommend best uses of the protocols to align with reimbursement structures.

Sec. 68. Minnesota Statutes 2020, section 256B.0941, is amended by adding a subdivision to read:

Subd. 5. **Start-up grants.** Start-up grants to prospective psychiatric residential treatment facility sites may be used for:

(1) administrative expenses;

(2) consulting services;

(3) Health Insurance Portability and Accountability Act of 1996 compliance;

(4) therapeutic resources including evidence-based, culturally appropriate curriculums, and training programs for staff and clients;

(5) allowable physical renovations to the property; and

(6) emergency workforce shortage uses, as determined by the commissioner.

Sec. 69. Minnesota Statutes 2021 Supplement, section 256B.0946, subdivision 1, is amended to read:

Subdivision 1. **Required covered service components.** (a) Subject to federal approval, medical assistance covers medically necessary intensive behavioral health treatment services when the services are provided by a provider entity certified under and meeting the standards in this section. 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.

(b) Intensive behavioral health treatment services to children with mental illness residing in foster family settings or with legal guardians that comprise specific required service components provided in clauses (1) to (6) are reimbursed by medical assistance when they meet the following standards:

(1) psychotherapy provided by a mental health professional or a clinical trainee;

(2) crisis planning;

(3) individual, family, and group psychoeducation services provided by a mental health professional or a clinical trainee;

(4) clinical care consultation provided by a mental health professional or a clinical trainee;

(5) individual treatment plan development as defined in Minnesota Rules, part 9505.0371, subpart 7; and

(6) service delivery payment requirements as provided under subdivision 4.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 70. Minnesota Statutes 2021 Supplement, section 256B.0946, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** For the purposes of this section, the following terms have the meanings given them.

(a) "At risk of out-of-home placement" means the child has participated in community-based therapeutic or behavioral services including psychotherapy within the past 30 days and has experienced severe difficulty in managing mental health and behavior in multiple settings and has one of the following:

(1) has previously been in out-of-home placement for mental health issues within the past six months;

(2) has a history of threatening harm to self or others and has actively engaged in self-harming or threatening behavior in the past 30 days;

(3) demonstrates extremely inappropriate or dangerous social behavior in home, community, and school settings;

(4) has a history of repeated intervention from mental health programs, social services, mobile crisis programs, or law enforcement to maintain safety in the home, community, or school within the past 60 days; or

(5) whose parent is unable to safely manage the child's mental health, behavioral, or emotional problems in the home and has been actively seeking placement for at least two weeks.

~~(a)~~ (b) "Clinical care consultation" means communication from a treating clinician to other providers working with the same client to inform, inquire, and instruct regarding the client's symptoms, strategies for effective engagement, care and intervention needs, and treatment expectations across service settings, including but not limited to the client's school, social services, day care, probation, home, primary care, medication prescribers, disabilities services, and other mental health providers and to direct and coordinate clinical service components provided to the client and family.

~~(b)~~ (c) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

~~(c)~~ (d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

~~(d)~~ (e) "Culturally appropriate" means providing mental health services in a manner that incorporates the child's cultural influences into interventions as a way to maximize resiliency factors and utilize cultural strengths and resources to promote overall wellness.

~~(e)~~ (f) "Culture" means the distinct ways of living and understanding the world that are used by a group of people and are transmitted from one generation to another or adopted by an individual.

~~(f)~~ (g) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

~~(g)~~ (h) "Family" means a person who is identified by the client or the client's parent or guardian as being important to the client's mental health treatment. Family may include, but is not limited to, parents, foster parents, children, spouse, committed partners, former spouses, persons related by blood or adoption, persons who are a part of the client's permanency plan, or persons who are presently residing together as a family unit.

~~(h)~~ (i) "Foster care" has the meaning given in section 260C.007, subdivision 18.

~~(i)~~ (j) "Foster family setting" means the foster home in which the license holder resides.

~~(j)~~ (k) "Individual treatment plan" means the plan described in section 245I.10, subdivisions 7 and 8.

~~(k)~~ (l) "Mental health certified family peer specialist" means a staff person who is qualified according to section 245I.04, subdivision 12.

~~(l)~~ (m) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

~~(m)~~ (n) "Mental illness" has the meaning given in section 245I.02, subdivision 29.

~~(n)~~ (o) "Parent" has the meaning given in section 260C.007, subdivision 25.

~~(o)~~ (p) "Psychoeducation services" means information or demonstration provided to an individual, family, or group to explain, educate, and support the individual, family, or group in understanding a child's symptoms of mental illness, the impact on the child's development, and needed components of treatment and skill development so that the individual, family, or group can help the child to prevent relapse, prevent the acquisition of comorbid disorders, and achieve optimal mental health and long-term resilience.

~~(p)~~ (q) "Psychotherapy" means the treatment described in section 256B.0671, subdivision 11.

~~(q)~~ (r) "Team consultation and treatment planning" means the coordination of treatment plans and consultation among providers in a group concerning the treatment needs of the child, including disseminating the child's treatment service schedule to all members of the service team. Team members must include all mental health professionals working with the child, a parent, the child unless the team lead or parent deem it clinically inappropriate, and at least two of the following: an individualized education program case manager; probation agent; children's mental health case manager; child welfare worker, including adoption or guardianship worker; primary care provider; foster parent; and any other member of the child's service team.

~~(r)~~ (s) "Trauma" has the meaning given in section 245I.02, subdivision 38.

~~(s)~~ (t) "Treatment supervision" means the supervision described under section 245I.06.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 71. Minnesota Statutes 2021 Supplement, section 256B.0946, subdivision 2, is amended to read:

Subd. 2. **Determination of client eligibility.** An eligible recipient is an individual, from birth through age 20, who is currently placed in a foster home licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or placed in a foster home licensed under the regulations established by a federally recognized Minnesota Tribe, or who is residing in the legal guardian's home and is at risk of out-of-home placement, and has received: (1) a standard diagnostic assessment within 180 days before the start of service that documents that intensive behavioral health treatment services are medically necessary ~~within a foster family setting~~ to ameliorate identified symptoms and functional impairments; and (2) a level of care assessment as defined in section 245I.02, subdivision 19, that demonstrates that the individual requires intensive intervention without 24-hour medical monitoring, and a functional assessment as defined in section 245I.02, subdivision 17. The level of care assessment and the functional assessment must include information gathered from the placing county, Tribe, or case manager.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 72. Minnesota Statutes 2021 Supplement, section 256B.0946, subdivision 3, is amended to read:

Subd. 3. **Eligible mental health services providers.** (a) Eligible providers for children's intensive ~~children's mental health~~ behavioral health services ~~in a foster family setting~~ must be certified by the state ~~and have a service provision contract with a county board or a reservation tribal council~~ and must be able to demonstrate the ability to provide all of the services required in this section and meet the standards in chapter 245I, as required in section 245I.011, subdivision 5.

(b) For purposes of this section, a provider agency must be:

(1) a county-operated entity certified by the state;

(2) an Indian Health Services facility operated by a Tribe or Tribal organization under funding authorized by United States Code, title 25, sections 450f to 450n, or title 3 of the Indian Self-Determination Act, Public Law 93-638, section 638 (facilities or providers); or

(3) a noncounty entity.

(c) Certified providers that do not meet the service delivery standards required in this section shall be subject to a decertification process.

(d) For the purposes of this section, all services delivered to a client must be provided by a mental health professional or a clinical trainee.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 73. Minnesota Statutes 2021 Supplement, section 256B.0946, subdivision 4, is amended to read:

Subd. 4. **Service delivery payment requirements.** (a) To be eligible for payment under this section, a provider must develop and practice written policies and procedures for children's intensive ~~treatment in foster care~~ behavioral health services, consistent with subdivision 1, paragraph (b), and comply with the following requirements in paragraphs (b) to (n).

(b) Each previous and current mental health, school, and physical health treatment provider must be contacted to request documentation of treatment and assessments that the eligible client has received. This information must be reviewed and incorporated into the standard diagnostic assessment and team consultation and treatment planning review process.

(c) Each client receiving treatment must be assessed for a trauma history, and the client's treatment plan must document how the results of the assessment will be incorporated into treatment.

(d) The level of care assessment as defined in section 245I.02, subdivision 19, and functional assessment as defined in section 245I.02, subdivision 17, must be updated at least every 90 days or prior to discharge from the service, whichever comes first.

(e) Each client receiving treatment services must have an individual treatment plan that is reviewed, evaluated, and approved every 90 days using the team consultation and treatment planning process.

(f) Clinical care consultation must be provided in accordance with the client's individual treatment plan.

(g) Each client must have a crisis plan within ten days of initiating services and must have access to clinical phone support 24 hours per day, seven days per week, during the course of treatment. The crisis plan must demonstrate coordination with the local or regional mobile crisis intervention team.

(h) Services must be delivered and documented at least three days per week, equaling at least six hours of treatment per week. If the mental health professional, client, and family agree, service units may be temporarily reduced for a period of no more than 60 days in order to meet the needs of the client and family, or as part of transition or on a discharge plan to another service or level of care. The reasons for service reduction must be identified, documented, and included in the treatment plan. Billing and payment are prohibited for days on which no services are delivered and documented.

(i) Location of service delivery must be in the client's home, day care setting, school, or other community-based setting that is specified on the client's individualized treatment plan.

(j) Treatment must be developmentally and culturally appropriate for the client.

(k) Services must be delivered in continual collaboration and consultation with the client's medical providers and, in particular, with prescribers of psychotropic medications, including those prescribed on an off-label basis. Members of the service team must be aware of the medication regimen and potential side effects.

(l) Parents, siblings, foster parents, legal guardians, and members of the child's permanency plan must be involved in treatment and service delivery unless otherwise noted in the treatment plan.

(m) Transition planning for ~~the~~ a child in foster care must be conducted starting with the first treatment plan and must be addressed throughout treatment to support the child's permanency plan and postdischarge mental health service needs.

(n) In order for a provider to receive the daily per-client encounter rate, at least one of the services listed in subdivision 1, paragraph (b), clauses (1) to (3), must be provided. The services listed in subdivision 1, paragraph (b), clauses (4) and (5), may be included as part of the daily per-client encounter rate.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 74. Minnesota Statutes 2021 Supplement, 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 ~~treatment in foster care~~ 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 ~~treatment in foster care~~ behavioral health services are not eligible for medical assistance reimbursement for the following services while receiving children's intensive ~~treatment in foster care~~ 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);

(3) home and community-based waiver services;

(4) mental health residential treatment; and

(5) room and board costs as defined in section 256I.03, subdivision 6.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 75. Minnesota Statutes 2020, section 256B.0946, subdivision 7, is amended to read:

Subd. 7. **Medical assistance payment and rate setting.** The commissioner shall establish a single daily per-client encounter rate for children's intensive ~~treatment in foster care~~ behavioral health services. The rate must be constructed to cover only eligible services delivered to an eligible recipient by an eligible provider, as prescribed in subdivision 1, paragraph (b).

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 76. Minnesota Statutes 2021 Supplement, section 256B.0947, subdivision 2, is amended to read:

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

(a) "Intensive nonresidential rehabilitative mental health services" means child rehabilitative mental health services as defined in section 256B.0943, except that these services are provided by a multidisciplinary staff using a total team approach consistent with assertive community treatment, as adapted for youth, and are directed to recipients who are eight years of age or older and under ~~26~~ 21 years of age who require intensive services to prevent admission to an inpatient psychiatric hospital or placement in a residential treatment facility or who require intensive services to step down from inpatient or residential care to community-based care.

(b) "Co-occurring mental illness and substance use disorder" means a dual diagnosis of at least one form of mental illness and at least one substance use disorder. Substance use disorders include alcohol or drug abuse or dependence, excluding nicotine use.

(c) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

(d) "Medication education services" means services provided individually or in groups, which focus on:

(1) educating the client and client's family or significant nonfamilial supporters about mental illness and symptoms;

(2) the role and effects of medications in treating symptoms of mental illness; and

(3) the side effects of medications.

Medication education is coordinated with medication management services and does not duplicate it. Medication education services are provided by physicians, pharmacists, or registered nurses with certification in psychiatric and mental health care.

(e) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(f) "Provider agency" means a for-profit or nonprofit organization established to administer an assertive community treatment for youth team.

(g) "Substance use disorders" means one or more of the disorders defined in the diagnostic and statistical manual of mental disorders, current edition.

(h) "Transition services" means:

(1) activities, materials, consultation, and coordination that ensures continuity of the client's care in advance of and in preparation for the client's move from one stage of care or life to another by maintaining contact with the client and assisting the client to establish provider relationships;

(2) providing the client with knowledge and skills needed posttransition;

(3) establishing communication between sending and receiving entities;

(4) supporting a client's request for service authorization and enrollment; and

(5) establishing and enforcing procedures and schedules.

A youth's transition from the children's mental health system and services to the adult mental health system and services and return to the client's home and entry or re-entry into community-based mental health services following discharge from an out-of-home placement or inpatient hospital stay.

(i) "Treatment team" means all staff who provide services to recipients under this section.

(j) "Family peer specialist" means a staff person who is qualified under section 256B.0616.

Sec. 77. Minnesota Statutes 2021 Supplement, section 256B.0947, subdivision 3, is amended to read:

Subd. 3. **Client eligibility.** An eligible recipient is an individual who:

(1) is eight years of age or older and under ~~26~~ 21 years of age;

(2) is diagnosed with a serious mental illness or co-occurring mental illness and substance use disorder, for which intensive nonresidential rehabilitative mental health services are needed;

(3) has received a level of care assessment as defined in section 245I.02, subdivision 19, that indicates a need for intensive integrated intervention without 24-hour medical monitoring and a need for extensive collaboration among multiple providers;

(4) has received a functional assessment as defined in section 245I.02, subdivision 17, that indicates functional impairment and a history of difficulty in functioning safely and successfully in the community, school, home, or job; or who is likely to need services from the adult mental health system during adulthood; and

(5) has had a recent standard diagnostic assessment that documents that intensive nonresidential rehabilitative mental health services are medically necessary to ameliorate identified symptoms and functional impairments and to achieve individual transition goals.

Sec. 78. Minnesota Statutes 2021 Supplement, section 256B.0947, subdivision 5, is amended to read:

Subd. 5. **Standards for intensive nonresidential rehabilitative providers.** (a) Services must meet the standards in this section and chapter 245I as required in section 245I.011, subdivision 5.

(b) The treatment team must have specialized training in providing services to the specific age group of youth that the team serves. An individual treatment team must serve youth who are: (1) at least eight years of age or older and under 16 years of age, or (2) at least 14 years of age or older and under ~~26~~ 21 years of age.

(c) The treatment team for intensive nonresidential rehabilitative mental health services comprises both permanently employed core team members and client-specific team members as follows:

(1) Based on professional qualifications and client needs, clinically qualified core team members are assigned on a rotating basis as the client's lead worker to coordinate a client's care. The core team must comprise at least four full-time equivalent direct care staff and must minimally include:

(i) a mental health professional who serves as team leader to provide administrative direction and treatment supervision to the team;

(ii) an advanced-practice registered nurse with certification in psychiatric or mental health care or a board-certified child and adolescent psychiatrist, either of which must be credentialed to prescribe medications;

(iii) a licensed alcohol and drug counselor who is also trained in mental health interventions; and

(iv) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10, and is also a former children's mental health consumer.

(2) The core team may also include any of the following:

(i) additional mental health professionals;

(ii) a vocational specialist;

(iii) an educational specialist with knowledge and experience working with youth regarding special education requirements and goals, special education plans, and coordination of educational activities with health care activities;

(iv) a child and adolescent psychiatrist who may be retained on a consultant basis;

(v) a clinical trainee qualified according to section 245I.04, subdivision 6;

(vi) a mental health practitioner qualified according to section 245I.04, subdivision 4;

(vii) a case management service provider, as defined in section 245.4871, subdivision 4;

(viii) a housing access specialist; and

(ix) a family peer specialist as defined in subdivision 2, paragraph (j).

(3) A treatment team may include, in addition to those in clause (1) or (2), ad hoc members not employed by the team who consult on a specific client and who must accept overall clinical direction from the treatment team for the duration of the client's placement with the treatment team and must be paid by the provider agency at the rate for a typical session by that provider with that client or at a rate negotiated with the client-specific member. Client-specific treatment team members may include:

(i) the mental health professional treating the client prior to placement with the treatment team;

(ii) the client's current substance use counselor, if applicable;

(iii) a lead member of the client's individualized education program team or school-based mental health provider, if applicable;

(iv) a representative from the client's health care home or primary care clinic, as needed to ensure integration of medical and behavioral health care;

(v) the client's probation officer or other juvenile justice representative, if applicable; and

(vi) the client's current vocational or employment counselor, if applicable.

(d) The treatment supervisor shall be an active member of the treatment team and shall function as a practicing clinician at least on a part-time basis. The treatment team shall meet with the treatment supervisor at least weekly to discuss recipients' progress and make rapid adjustments to meet recipients' needs. The team meeting must include client-specific case reviews and general treatment discussions among team members. Client-specific case reviews and planning must be documented in the individual client's treatment record.

(e) The staffing ratio must not exceed ten clients to one full-time equivalent treatment team position.

(f) The treatment team shall serve no more than 80 clients at any one time. Should local demand exceed the team's capacity, an additional team must be established rather than exceed this limit.

(g) Nonclinical staff shall have prompt access in person or by telephone to a mental health practitioner, clinical trainee, or mental health professional. The provider shall have the capacity to promptly and appropriately respond to emergent needs and make any necessary staffing adjustments to ensure the health and safety of clients.

(h) The intensive nonresidential rehabilitative mental health services provider shall participate in evaluation of the assertive community treatment for youth (Youth ACT) model as conducted by the commissioner, including the collection and reporting of data and the reporting of performance measures as specified by contract with the commissioner.

(i) A regional treatment team may serve multiple counties.

Sec. 79. Minnesota Statutes 2020, section 256B.0949, subdivision 15, is amended to read:

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

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

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

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

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

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

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

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

(iii) a board-certified behavior analyst; or

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

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

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

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

(ii) has certification as a board-certified assistant behavior analyst from the Behavior Analyst Certification Board;

(iii) is a registered behavior technician as defined by the Behavior Analyst Certification Board; or

(iv) is certified in one of the other treatment modalities recognized by the department; or

(2) a person who has:

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

(ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(3) a person who has at least 4,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(4) a person who is a graduate student in a behavioral science, child development science, or related field and is receiving clinical supervision by a QSP affiliated with an agency to meet the clinical training requirements for experience and training with people with ASD or a related condition; or

(5) a person who is at least 18 years of age and who:

(i) is fluent in a non-English language or an individual certified by a Tribal Nation;

(ii) completed the level III EIDBI training requirements; and

(iii) receives observation and direction from a QSP or level I treatment provider at least once a week until the person meets 1,000 hours of supervised clinical experience.

(d) A level III treatment provider must be employed by an agency, have completed the level III training requirement, be at least 18 years of age, and have at least one of the following:

(1) a high school diploma or commissioner of education-selected high school equivalency certification;

(2) fluency in a non-English language or certification by a Tribal Nation;

(3) one year of experience as a primary personal care assistant, community health worker, waiver service provider, or special education assistant to a person with ASD or a related condition within the previous five years; or

(4) completion of all required EIDBI training within six months of employment.

EFFECTIVE DATE. This section is effective January 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 80. Minnesota Statutes 2020, section 256D.09, subdivision 2a, is amended to read:

Subd. 2a. **Vendor payments for drug dependent persons.** If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person applying for or receiving financial assistance is drug dependent, as defined in section 254A.02, subdivision 5, the person shall be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete and the results of the assessment made available to the county agency. A reasonable basis for referring an individual for an assessment exists when:

(1) the person has required detoxification two or more times in the past 12 months;

(2) the person appears intoxicated at the county agency as indicated by two or more of the following:

(i) the odor of alcohol;

(ii) slurred speech;

(iii) disconjugate gaze;

(iv) impaired balance;

(v) difficulty remaining awake;

(vi) consumption of alcohol;

(vii) responding to sights or sounds that are not actually present;

(viii) extreme restlessness, fast speech, or unusual belligerence;

(3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or

(4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

The assessment and determination of drug dependency, if any, must be made by an assessor qualified under ~~Minnesota Rules, part 9530.6615, subpart 2~~ section 245G.11, subdivisions 1 and 5, to perform an assessment of chemical use. The county shall only provide emergency general assistance or vendor payments to an otherwise eligible applicant or recipient who is determined to be drug dependent, except up to 15 percent of the grant amount the person would otherwise receive may be paid in cash. Notwithstanding subdivision 1, the commissioner of human services shall also require county agencies to provide assistance only in the form of vendor payments to all eligible recipients who assert chemical dependency as a basis for eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1) and (5).

The determination of drug dependency shall be reviewed at least every 12 months. If the county determines a recipient is no longer drug dependent, the county may cease vendor payments and provide the recipient payments in cash.

Sec. 81. Minnesota Statutes 2021 Supplement, section 256L.03, subdivision 2, is amended to read:

Subd. 2. **Alcohol and drug dependency.** Beginning July 1, 1993, covered health services shall include individual outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient program.

Persons who may need chemical dependency services under the provisions of this chapter ~~shall be assessed by a local agency~~ must be offered access by a local agency to a comprehensive assessment as defined under section ~~254B.01~~ 245G.05, and under the assessment provisions of section 254A.03, subdivision 3. A local agency or managed care plan under contract with the Department of Human Services must ~~place~~ offer services to a person in need of chemical dependency services ~~as provided in Minnesota Rules, parts 9530.6600 to 9530.6655~~ based on the recommendations of section 245G.05. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for behavioral health fund services provided under the provisions of chapter 254B shall receive chemical dependency treatment services under the provisions of chapter 254B only if:

(1) they have exhausted the chemical dependency benefits offered under this chapter; or

(2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

Recipients of covered health services under the children's health plan, as provided in Minnesota Statutes 1990, section 256.936, and as amended by Laws 1991, chapter 292, article 4, section 17, and recipients of covered health services enrolled in the children's health plan or the MinnesotaCare program after October 1, 1992, pursuant to Laws 1992, chapter 549, article 4, sections 5 and 17, are eligible to receive alcohol and drug dependency benefits under this subdivision.

Sec. 82. Minnesota Statutes 2020, section 256L.12, subdivision 8, is amended to read:

Subd. 8. **Chemical dependency assessments.** The managed care plan shall be responsible for assessing the need and ~~placement for~~ provision of chemical dependency services according to criteria set forth in ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05.

Sec. 83. Minnesota Statutes 2020, section 260B.157, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** Upon request of the court the local social services agency or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260B.101 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall order a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications must comply with section 245G.11, subdivisions 1 and 5, and the assessment criteria ~~shall~~ must comply with ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment ~~and placement~~ must comply with all provisions of ~~Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030~~ sections 245G.05 and 254B.04. The commissioner of human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of $100.

The court shall order a children's mental health screening conducted when a child is found to be delinquent. The screening shall be conducted with a screening instrument approved by the commissioner of human services and shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. If the screening indicates a need for assessment, the local social services agency, in consultation with the child's family, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 84. Minnesota Statutes 2020, 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 ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ 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, 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, 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. 85. Minnesota Statutes 2021 Supplement, 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 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 ~~or~~, 254B.05, or 256B.092 ~~or Minnesota Rules, parts 9530.6600 to 9530.6655~~. 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 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 developmental disability, or co-occurring emotional disturbance 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. 86. Minnesota Statutes 2020, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency ~~shall conduct a chemical use~~ must coordinate a comprehensive assessment pursuant to ~~Minnesota Rules, part 9530.6615~~ section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

Sec. 87. Minnesota Statutes 2020, section 299A.299, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county, a multicounty organization of counties formed by an agreement under section 471.59, or a city with a population of no more than 50,000, may establish a multidisciplinary chemical abuse prevention team. The chemical abuse prevention team may include, but not be limited to, representatives of health, mental health, public health, law enforcement, educational, social service, court service, community education, religious, and other appropriate agencies, and parent and youth groups. For purposes of this section, "chemical abuse" has the meaning given in ~~Minnesota Rules, part 9530.6605, subpart 6~~ section 254A.02, subdivision 6a. When possible the team must coordinate its activities with existing local groups, organizations, and teams dealing with the same issues the team is addressing.

Sec. 88. Laws 2021, First Special Session chapter 7, article 17, section 1, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** An individual is eligible for the transition to community initiative if the individual does not meet eligibility criteria for the medical assistance program under section 256B.056 or 256B.057, but who meets at least one of the following criteria:

(1) the person otherwise 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 or a secure treatment setting, but the person's discharge from the Anoka Metro Regional Treatment Center, the Minnesota Security Hospital, or a community behavioral health hospital would be substantially delayed without additional resources available through the transitions to community initiative;

(3) the person is in a community hospital ~~and on the waiting list for the Anoka Metro Regional Treatment Center~~, but alternative community living options would be appropriate for the person~~, and the person has received approval from the commissioner~~; or

(4)(i) the person 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) the person expresses a desire to move; and (iii) the person has received approval from the commissioner.

Sec. 89. Laws 2021, First Special Session chapter 7, article 17, section 11, is amended to read:

Sec. 11. **EXPAND MOBILE CRISIS.**

~~(a)~~ This act includes $8,000,000 in fiscal year 2022 and $8,000,000 in fiscal year 2023 for additional funding for grants for adult mobile crisis services under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (b), clause (15) and children's mobile crisis services under Minnesota Statutes, section 256B.0944. The general fund base in this act for this purpose is ~~$4,000,000~~ $8,000,000 in fiscal year 2024 and ~~$0~~ $8,000,000 in fiscal year 2025.

~~(b) Beginning April 1, 2024, counties may fund and continue conducting activities funded under this section.~~

~~(c) All grant activities must be completed by March 31, 2024.~~

~~(d) This section expires June 30, 2024.~~

Sec. 90. Laws 2021, First Special Session chapter 7, article 17, section 12, is amended to read:

Sec. 12. ~~**PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY AND CHILD AND ADOLESCENT**~~ **ADULT AND CHILDREN'S MOBILE TRANSITION ~~UNIT~~ UNITS.** (a) This act includes $2,500,000 in fiscal year 2022 and $2,500,000 in fiscal year 2023 for the commissioner of human services to create adult and children's mental health transition and support teams to facilitate transition back to the community ~~of children~~ or to the least restrictive level of care from inpatient psychiatric settings, emergency departments, residential treatment facilities, and child and adolescent behavioral health hospitals. The general fund base included in this act for this purpose is $1,875,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) Beginning April 1, 2024, counties may fund and continue conducting activities funded under this section.

(c) This section expires March 31, 2024.

Sec. 91. **RATE INCREASE FOR MENTAL HEALTH ADULT DAY TREATMENT.**

The commissioner of human services must increase the reimbursement rate for adult day treatment by 50 percent over the reimbursement rate in effect as of June 30, 2022.

EFFECTIVE DATE. This section is effective January 1, 2023, or 60 days following federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 92. **DIRECTION TO COMMISSIONER.**

The commissioner must update the behavioral health fund room and board rate schedule to include programs providing children's mental health crisis admissions and stabilization under Minnesota Statutes, section 245.4882, subdivision 6. The commissioner must establish room and board rates commensurate with current room and board rates for adolescent programs licensed under Minnesota Statutes, section 245G.18.

Sec. 93. **DIRECTION TO COMMISSIONER; BEHAVIORAL HEALTH FUND ALLOCATION.**

The commissioner of human services, in consultation with counties and Tribal Nations, must make recommendations on an updated allocation to local agencies from funds allocated under Minnesota Statutes, section 254B.02, subdivision 5. The commissioner must submit the recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy by January 1, 2024.

Sec. 94. **DIRECTION TO COMMISSIONER; MEDICATION-ASSISTED THERAPY SERVICES PAYMENT METHODOLOGY.**

The commissioner of human services shall revise the payment methodology for medication-assisted therapy services under Minnesota Statutes, section 254B.05, subdivision 5, paragraph (b), clause (6). The revised payment methodology must only allow payment if the provider renders the service or services billed on the specified date of service or, in the case of drugs and drug-related services, within a week of the specified date of service, as defined by the commissioner. The revised payment methodology must include a weekly bundled rate, based on the Medicare rate, that includes the costs of drugs; drug administration and observation; drug packaging and preparation; and nursing time. The commissioner shall seek all necessary waivers, state plan amendments, and federal authorizations required to implement the revised payment methodology.

Sec. 95. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall change the terms "medication-assisted treatment" and "medication-assisted therapy" or similar terms to "substance use disorder treatment with medications for opioid use disorder" whenever the terms appear in Minnesota Statutes and Minnesota Rules. The revisor may make technical and other necessary grammatical changes related to the term change.

(b) The revisor of statutes shall change the term "intensive treatment in foster care" or similar terms to "children's intensive behavioral health services" wherever they appear in Minnesota Statutes and Minnesota Rules when referring to those providers and services regulated under Minnesota Statutes, section 256B.0946. The revisor shall make technical and grammatical changes related to the changes in terms.

Sec. 96. **REPEALER.**

(a) Minnesota Statutes 2020, sections 169A.70, subdivision 6; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a and 2; 254B.04, subdivisions 2b and 2c; and 254B.041, subdivision 2, are repealed.

(b) Minnesota Statutes 2021 Supplement, section 254A.19, subdivision 5, is repealed.

(c) Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, and 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, and 6; 9530.7020, subparts 1, 1a, and 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; and 9530.7030, subpart 1, are repealed.

ARTICLE 4
CONTINUING CARE FOR OLDER ADULTS POLICY

Section 1. Minnesota Statutes 2020, section 245A.14, subdivision 14, is amended to read:

Subd. 14. **Attendance records for publicly funded services.** (a) A child care center licensed under this chapter and according to Minnesota Rules, chapter 9503, must maintain documentation of actual attendance for each child receiving care for which the license holder is reimbursed by a governmental program. The records must be accessible to the commissioner during the program's hours of operation, they must be completed on the actual day of attendance, and they must include:

(1) the first and last name of the child;

(2) the time of day that the child was dropped off; and

(3) the time of day that the child was picked up.

(b) A family child care provider licensed under this chapter and according to Minnesota Rules, chapter 9502, must maintain documentation of actual attendance for each child receiving care for which the license holder is reimbursed for the care of that child by a governmental program. The records must be accessible to the commissioner during the program's hours of operation, they must be completed on the actual day of attendance, and they must include:

(1) the first and last name of the child;

(2) the time of day that the child was dropped off; and

(3) the time of day that the child was picked up.

(c) An adult day services program licensed under this chapter and according to Minnesota Rules, parts 9555.5105 to 9555.6265, must maintain documentation of actual attendance for each adult day service recipient for which the license holder is reimbursed by a governmental program. The records must be accessible to the commissioner during the program's hours of operation, they must be completed on the actual day of attendance, and they must include:

(1) the first, middle, and last name of the recipient;

(2) the time of day that the recipient was dropped off; and

(3) the time of day that the recipient was picked up.

(d) ~~The commissioner shall not issue a correction for attendance record errors that occur before August 1, 2013.~~ Adult day services programs licensed under this chapter that are designated for remote adult day services must maintain documentation of actual participation for each adult day service recipient for whom the license holder is reimbursed by a governmental program. The records must be accessible to the commissioner during the program's hours of operation, must be completed on the actual day service is provided, and must include the:

(1) first, middle, and last name of the recipient;

(2) time of day the remote services started;

(3) time of day that the remote services ended; and

(4) means by which the remote services were provided, through audio remote services or through audio and video remote services.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 2. **[245A.70] REMOTE ADULT DAY SERVICES.**

(a) For the purposes of sections 245A.70 to 245A.75, the following terms have the meanings given.

(b) "Adult day care" and "adult day services" have the meanings given in section 245A.02, subdivision 2a.

(c) "Remote adult day services" means an individualized and coordinated set of services provided via live two-way communication by an adult day care or adult day services center.

(d) "Live two-way communication" means real-time audio or audio and video transmission of information between a participant and an actively involved staff member.

Sec. 3. **[245A.71] APPLICABILITY AND SCOPE.**

Subdivision 1. **Licensing requirements.** Adult day care centers or adult day services centers that provide remote adult day services must be licensed under this chapter and comply with the requirements set forth in this section.

Subd. 2. **Standards for licensure.** License holders seeking to provide remote adult day services must submit a request in the manner prescribed by the commissioner. Remote adult day services must not be delivered until approved by the commissioner. The designation to provide remote services is voluntary for license holders. Upon approval, the designation of approval for remote adult day services must be printed on the center's license, and identified on the commissioner's public website.

Subd. 3. **Federal requirements.** Adult day care centers or adult day services centers that provide remote adult day services to participants receiving alternative care under section 256B.0913, essential community supports under section 256B.0922, or home and community-based services waivers under chapter 256S or section 256B.092 or 256B.49 must comply with federally approved waiver plans.

Subd. 4. **Service limitations.** Remote adult day services must be provided during the days and hours of in-person services specified on the license of the adult day care center or adult day services center.

Sec. 4. **[245A.72] RECORD REQUIREMENTS.**

Adult day care centers and adult day services centers providing remote adult day services must comply with participant record requirements set forth in Minnesota Rules, part 9555.9660. The center must document how remote services will help a participant reach the short- and long-term objectives in the participant's plan of care.

Sec. 5. **[245A.73] REMOTE ADULT DAY SERVICES STAFF.**

Subdivision 1. **Staff ratios.** (a) A staff person who provides remote adult day services without two-way interactive video must only provide services to one participant at a time.

(b) A staff person who provides remote adult day services through two-way interactive video must not provide services to more than eight participants at one time.

Subd. 2. **Staff training.** A center licensed under section 245A.71 must document training provided to each staff person regarding the provision of remote services in the staff person's record. The training must be provided prior to a staff person delivering remote adult day services without supervision. The training must include:

(1) how to use the equipment, technology, and devices required to provide remote adult day services via live two-way communication;

(2) orientation and training on each participant's plan of care as directly related to remote adult day services; and

(3) direct observation by a manager or supervisor of the staff person while providing supervised remote service delivery sufficient to assess staff competency.

Sec. 6. **[245A.74] INDIVIDUAL SERVICE PLANNING.**

Subdivision 1. **Eligibility.** (a) A person must be eligible for and receiving in-person adult day services to receive remote adult day services from the same provider. The same provider must deliver both in-person adult day services and remote adult day services to a participant.

(b) The license holder must update the participant's plan of care according to Minnesota Rules, part 9555.9700.

(c) For a participant who chooses to receive remote adult day services, the license holder must document in the participant's plan of care the participant's proposed schedule and frequency for receiving both in-person and remote services. The license holder must also document in the participant's plan of care that remote services:

(1) are chosen as a service delivery method by the participant or the participant's legal representative;

(2) will meet the participant's assessed needs;

(3) are provided within the scope of adult day services; and

(4) will help the participant achieve identified short and long-term objectives specific to the provision of remote adult day services.

Subd. 2. **Participant daily service limitations.** In a 24-hour period, a participant may receive:

(1) a combination of in-person adult day services and remote adult day services on the same day but not at the same time;

(2) a combination of in-person and remote adult day services that does not exceed 12 hours in total; and

(3) up to six hours of remote adult day services.

Subd. 3. **Minimum in-person requirement.** A participant who receives remote services must receive services in-person as assigned in the participant's plan of care at least quarterly.

Sec. 7. **[245A.75] SERVICE AND PROGRAM REQUIREMENTS.**

Remote adult day services must be in the scope of adult day services provided in Minnesota Rules, part 9555.9710, subparts 3 to 7.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 8. Minnesota Statutes 2020, section 256R.02, subdivision 4, is amended to read:

Subd. 4. **Administrative costs.** "Administrative costs" means the identifiable costs for administering the overall activities of the nursing home. These costs include salaries and wages of the administrator, assistant administrator, business office employees, security guards, purchasing and inventory employees, and associated fringe benefits and payroll taxes, fees, contracts, or purchases related to business office functions, licenses, permits except as provided in the external fixed costs category, employee recognition, travel including meals and lodging, all training except as specified in subdivision 17, voice and data communication or transmission, office supplies, property and liability insurance and other forms of insurance except insurance that is a fringe benefit under subdivision 22, personnel recruitment, legal services, accounting services, management or business consultants, data processing, information technology, website, central or home office costs, business meetings and seminars, postage, fees for professional organizations, subscriptions, security services, nonpromotional advertising, board of directors fees, working capital interest expense, bad debts, bad debt collection fees, and costs incurred for travel and ~~housing~~ lodging for persons employed by a Minnesota-registered supplemental nursing services agency as defined in section 144A.70, subdivision 6.

Sec. 9. Minnesota Statutes 2020, section 256R.02, subdivision 17, is amended to read:

Subd. 17. **Direct care costs.** "Direct care costs" means costs for the wages of nursing administration, direct care registered nurses, licensed practical nurses, certified nursing assistants, trained medication aides, employees conducting training in resident care topics and associated fringe benefits and payroll taxes; services from a Minnesota-registered supplemental nursing services agency up to the maximum allowable charges under section 144A.74, excluding associated lodging and travel costs; supplies that are stocked at nursing stations or on the floor and distributed or used individually, including, but not limited to: rubbing alcohol or alcohol swabs, applicators, cotton balls, incontinence pads, disposable ice bags, dressings, bandages, water pitchers, tongue depressors, disposable gloves, enemas, enema equipment, personal hygiene soap, medication cups, diapers, ~~plastic waste bags,~~ sanitary products, disposable thermometers, hypodermic needles and syringes, ~~clinical reagents or similar diagnostic agents,~~ drugs ~~that are not paid~~ not payable on a separate fee schedule by the medical assistance program or any other payer, and ~~technology-related~~ clinical software costs specific to the provision of nursing care to residents, such as

electronic charting systems; costs of materials used for resident care training, and training courses outside of the facility attended by direct care staff on resident care topics; and costs for nurse consultants, pharmacy consultants, and medical directors. Salaries and payroll taxes for nurse consultants who work out of a central office must be allocated proportionately by total resident days or by direct identification to the nursing facilities served by those consultants.

Sec. 10. Minnesota Statutes 2020, section 256R.02, subdivision 18, is amended to read:

Subd. 18. **Employer health insurance costs.** "Employer health insurance costs" means premium expenses for group coverage~~;~~ and actual expenses incurred for self-insured plans, including ~~reinsurance;~~ actual claims paid, stop-loss premiums, plan fees, and employer contributions to employee health reimbursement and health savings accounts. Actual costs of self-insurance plans must not include any allowance for future funding unless the plan meets the Medicare requirements for reporting on a premium basis when the Medicare regulations define the actual costs. Premium and expense costs and contributions are allowable for (1) all employees and (2) the spouse and dependents of those employees who are employed on average at least 30 hours per week.

Sec. 11. Minnesota Statutes 2020, 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; ~~rate adjustments for compensation related costs for minimum wage changes under section 256R.49 provided on or after January 1, 2018;~~ Public Employees Retirement Association employer costs; and border city rate adjustments under section 256R.481.

Sec. 12. Minnesota Statutes 2020, 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 part-time employee family members or retirees, and pension and retirement plan contributions, except for the Public Employees Retirement Association costs.

Sec. 13. Minnesota Statutes 2020, section 256R.02, subdivision 29, is amended to read:

Subd. 29. **Maintenance and plant operations costs.** "Maintenance and plant operations costs" means the costs for the salaries and wages of the maintenance supervisor, engineers, heating-plant employees, and other maintenance employees and associated fringe benefits and payroll taxes. It also includes identifiable costs for maintenance and operation of the building and grounds, including, but not limited to, fuel, electricity, plastic waste bags, medical waste and garbage removal, water, sewer, supplies, tools, ~~and~~ repairs, and minor equipment not requiring capitalization under Medicare guidelines.

Sec. 14. Minnesota Statutes 2020, section 256R.02, is amended by adding a subdivision to read:

Subd. 32a. **Minor equipment.** "Minor equipment" means equipment that does not qualify as either fixed equipment or depreciable movable equipment as defined in section 256R.261.

Sec. 15. Minnesota Statutes 2020, section 256R.02, subdivision 42a, is amended to read:

Subd. 42a. **Real estate taxes.** "Real estate taxes" means the real estate tax liability shown on the annual property tax ~~statement~~ statements of the nursing facility for the reporting period. The term does not include personnel costs or fees for late payment.

Sec. 16. Minnesota Statutes 2020, section 256R.02, subdivision 48a, is amended to read:

Subd. 48a. **Special assessments.** "Special assessments" means the actual special assessments and related interest paid during the reporting period that are not voluntary costs. The term does not include personnel costs ~~or~~, fees for late payment, or special assessments for projects that are reimbursed in the property rate.

Sec. 17. Minnesota Statutes 2020, section 256R.02, is amended by adding a subdivision to read:

Subd. 53. **Vested.** "Vested" means the existence of a legally fixed unconditional right to a present or future benefit.

Sec. 18. Minnesota Statutes 2020, section 256R.07, subdivision 1, is amended to read:

Subdivision 1. **Criteria.** A nursing facility ~~shall~~ must keep adequate documentation. In order to be adequate, documentation must:

(1) be maintained in orderly, well-organized files;

(2) not include documentation of more than one nursing facility in one set of files unless transactions may be traced by the commissioner to the nursing facility's annual cost report;

(3) include a paid invoice or copy of a paid invoice with date of purchase, vendor name and address, purchaser name and delivery destination address, listing of items or services purchased, cost of items purchased, account number to which the cost is posted, and a breakdown of any allocation of costs between accounts or nursing facilities. If any of the information is not available, the nursing facility ~~shall~~ must document its good faith attempt to obtain the information;

(4) include contracts, agreements, amortization schedules, mortgages, other debt instruments, and all other documents necessary to explain the nursing facility's costs or revenues; ~~and~~

(5) include signed and dated position descriptions; and

(6) be retained by the nursing facility to support the five most recent annual cost reports. The commissioner may extend the period of retention if the field audit was postponed because of inadequate record keeping or accounting practices as in section 256R.13, subdivisions 2 and 4, the records are necessary to resolve a pending appeal, or the records are required for the enforcement of sections 256R.04; 256R.05, subdivision 2; 256R.06, subdivisions 2, 6, and 7; 256R.08, subdivisions 1 ~~to~~ and 3; and 256R.09, subdivisions 3 and 4.

Sec. 19. Minnesota Statutes 2020, section 256R.07, subdivision 2, is amended to read:

Subd. 2. **Documentation of compensation.** Compensation for personal services, regardless of whether treated as identifiable costs or costs that are not identifiable, must be documented on payroll records. Payrolls must be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees which are allocated to more than one cost category must be supported by time distribution records. ~~The method used must produce a proportional distribution of actual time spent, or an accurate estimate of time spent performing~~

~~assigned duties. The nursing facility that chooses to estimate time spent must use a statistically valid method. The compensation must reflect an amount proportionate to a full-time basis if the services are rendered on less than a full-time basis.~~ Salary allocations are allowable using the Medicare-approved allocation basis and methodology only if the salary costs cannot be directly determined, including when employees provide shared services to noncovered operations.

Sec. 20. Minnesota Statutes 2020, section 256R.07, subdivision 3, is amended to read:

Subd. 3. **Adequate documentation supporting nursing facility payrolls.** Payroll records supporting compensation costs claimed by nursing facilities must be supported by affirmative time and attendance records prepared by each individual at intervals of not more than one month. The requirements of this subdivision are met when documentation is provided under either clause (1) or (2) ~~as follows~~:

(1) the affirmative time and attendance record must identify the individual's name; the days worked during each pay period; the number of hours worked each day; and the number of hours taken each day by the individual for vacation, sick, and other leave. The affirmative time and attendance record must include a signed verification by the individual and the individual's supervisor, if any, that the entries reported on the record are correct; or

(2) if the affirmative time and attendance records identifying the individual's name, the days worked each pay period, the number of hours worked each day, and the number of hours taken each day by the individual for vacation, sick, and other leave are ~~placed on microfilm~~ stored electronically, equipment must be made available for viewing and printing ~~them, or if the records are stored as automated data, summary data must be available for viewing and printing~~ the records.

Sec. 21. Minnesota Statutes 2020, section 256R.08, subdivision 1, is amended to read:

Subdivision 1. **Reporting of financial statements.** (a) No later than February 1 of each year, a nursing facility ~~shall~~ must:

(1) provide the state agency with a copy of its audited financial statements or its working trial balance;

(2) provide the state agency with a statement of ownership for the facility;

(3) provide the state agency with separate, audited financial statements or working trial balances for every other facility owned in whole or in part by an individual or entity that has an ownership interest in the facility;

(4) upon request, provide the state agency with separate, audited financial statements or working trial balances for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(5) provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility; and

(6) upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs.

(b) Audited financial statements submitted under paragraph (a) must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the public accountant's report. Public accountants must conduct audits in accordance with chapter 326A. The cost of an audit ~~shall~~ must not be an allowable cost unless the nursing facility submits its audited financial statements in the manner otherwise specified in this subdivision. A nursing facility must permit access by the state agency to the public accountant's audit work papers that support the audited financial statements submitted under paragraph (a).

(c) Documents or information provided to the state agency pursuant to this subdivision ~~shall~~ must be public unless prohibited by the Health Insurance Portability and Accountability Act or any other federal or state regulation. Data, notes, and preliminary drafts of reports created, collected, and maintained by the audit offices of government entities, or persons performing audits for government entities, and relating to an audit or investigation are confidential data on individuals or protected nonpublic data until the final report has been published or the audit or investigation is no longer being pursued actively, except that the data must be disclosed as required to comply with section 6.67 or 609.456.

(d) If the requirements of paragraphs (a) and (b) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting period and the reduction ~~shall~~ must continue until the requirements are met.

Sec. 22. Minnesota Statutes 2020, section 256R.09, subdivision 2, is amended to read:

Subd. 2. **Reporting of statistical and cost information.** All nursing facilities ~~shall~~ must provide information annually to the commissioner on a form and in a manner determined by the commissioner. The commissioner may separately require facilities to submit in a manner specified by the commissioner documentation of statistical and cost information included in the report to ensure accuracy in establishing payment rates and to perform audit and appeal review functions under this chapter. The commissioner may also require nursing facilities to provide statistical and cost information for a subset of the items in the annual report on a semiannual basis. Nursing facilities ~~shall~~ must report only costs directly related to the operation of the nursing facility. The facility ~~shall~~ must not include costs which are separately reimbursed or reimbursable by residents, medical assistance, or other payors. Allocations of costs from central, affiliated, or corporate office and related organization transactions shall be reported according to sections 256R.07, subdivision 3, and 256R.12, subdivisions 1 to 7. The commissioner shall not grant facilities extensions to the filing deadline.

Sec. 23. Minnesota Statutes 2020, section 256R.09, subdivision 5, is amended to read:

Subd. 5. **Method of accounting.** The accrual method of accounting in accordance with generally accepted accounting principles is the only method acceptable for purposes of satisfying the reporting requirements of this chapter. If a governmentally owned nursing facility demonstrates that the accrual method of accounting is not applicable to its accounts and that a cash or modified accrual method of accounting more accurately reports the nursing facility's financial operations, the commissioner shall permit the governmentally owned nursing facility to use a cash or modified accrual method of accounting. For reimbursement purposes, the accrued expense must be paid by the providers within 180 days following the end of the reporting period. An expense disallowed by the commissioner under this section in any cost report period must not be claimed by a provider on a subsequent cost report. Specific exemptions to the 180-day rule may be granted by the commissioner for documented contractual arrangements such as receivership, property tax installment payments, and pension contributions.

Sec. 24. Minnesota Statutes 2020, section 256R.13, subdivision 4, is amended to read:

Subd. 4. **Extended record retention requirements.** The commissioner shall extend the period for retention of records under section 256R.09, subdivision 3, for purposes of performing field audits as necessary to enforce sections 256R.04; 256R.05, subdivision 2; 256R.06, subdivisions 2, 6, and 7; 256R.08, subdivisions 1 ~~to~~ and 3; and 256R.09, subdivisions 3 and 4, with written notice to the facility postmarked no later than 90 days prior to the expiration of the record retention requirement.

Sec. 25. Minnesota Statutes 2020, section 256R.16, subdivision 1, is amended to read:

Subdivision 1. **Calculation of a quality score.** (a) The commissioner shall determine a quality score for each nursing facility using quality measures established in section 256B.439, according to methods determined by the commissioner in consultation with stakeholders and experts, and using the most recently available data as provided in the Minnesota Nursing Home Report Card. These methods ~~shall~~ must be exempt from the rulemaking requirements under chapter 14.

(b) For each quality measure, a score ~~shall~~ must be determined with the number of points assigned as determined by the commissioner using the methodology established according to this subdivision. The determination of the quality measures to be used and the methods of calculating scores may be revised annually by the commissioner.

(c) The quality score ~~shall~~ must include up to 50 points related to the Minnesota quality indicators score derived from the minimum data set, up to 40 points related to the resident quality of life score derived from the consumer survey conducted under section 256B.439, subdivision 3, and up to ten points related to the state inspection results score.

(d) The commissioner, in cooperation with the commissioner of health, may adjust the formula in paragraph (c), or the methodology for computing the total quality score, ~~effective July 1 of any year,~~ with five months advance public notice. In changing the formula, the commissioner shall consider quality measure priorities registered by report card users, advice of stakeholders, and available research.

Sec. 26. Minnesota Statutes 2020, section 256R.17, subdivision 3, is amended to read:

Subd. 3. **Resident assessment schedule.** (a) Nursing facilities ~~shall~~ must conduct and submit case mix classification assessments according to the schedule established by the commissioner of health under section 144.0724, subdivisions 4 and 5.

(b) The case mix classifications established under section 144.0724, subdivision 3a, ~~shall be~~ are effective the day of admission for new admission assessments. The effective date for significant change assessments ~~shall be~~ is the assessment reference date. The effective date for annual and quarterly assessments ~~shall be~~ and significant corrections assessments is the first day of the month following assessment reference date.

Sec. 27. Minnesota Statutes 2020, section 256R.26, subdivision 1, is amended to read:

Subdivision 1. **Determination of limited undepreciated replacement cost.** A facility's limited URC is the lesser of:

(1) the facility's recognized URC from the appraisal; or

(2) the product of (i) the number of the facility's licensed beds three months prior to the beginning of the rate year, (ii) the construction cost per square foot value, and (iii) 1,000 square feet.

Sec. 28. Minnesota Statutes 2020, section 256R.261, subdivision 13, is amended to read:

Subd. 13. **Equipment allowance per bed value.** The equipment allowance per bed value is $10,000 adjusted annually for rate years beginning on or after January 1, 2021, by the percentage change indicated by the urban consumer price index for Minneapolis-St. Paul, as published by the Bureau of Labor Statistics (series ~~1967=100~~ 1982-84=100) for the two previous Julys. The computation for this annual adjustment is based on the data that is publicly available on November 1 immediately preceding the start of the rate year.

Sec. 29. Minnesota Statutes 2020, section 256R.37, is amended to read:

256R.37 SCHOLARSHIPS.

~~(a) For the 27 month period beginning October 1, 2015, through December 31, 2017, the commissioner shall allow a scholarship per diem of up to 25 cents for each nursing facility with no scholarship per diem that is requesting a scholarship per diem to be added to the external fixed payment rate to be used:~~

~~(1) for employee scholarships that satisfy the following requirements:~~

~~(i) scholarships are available to all employees who work an average of at least ten hours per week at the facility except the administrator, and to reimburse student loan expenses for newly hired registered nurses and licensed practical nurses, and training expenses for nursing assistants as specified in section 144A.611, subdivisions 2 and 4, who are newly hired; and~~

~~(ii) the course of study is expected to lead to career advancement with the facility or in long-term care, including medical care interpreter services and social work; and~~

~~(2) to provide job-related training in English as a second language.~~

~~(b) All facilities may annually request a rate adjustment under this section by submitting information to the commissioner on a schedule and in a form supplied by the commissioner. The commissioner shall allow a scholarship payment rate equal to the reported and allowable costs divided by resident days.~~

~~(c) In calculating the per diem under paragraph (b), the commissioner shall allow costs related to tuition, direct educational expenses, and reasonable costs as defined by the commissioner for child care costs and transportation expenses related to direct educational expenses.~~

~~(d) The rate increase under this section is an optional rate add on that the facility must request from the commissioner in a manner prescribed by the commissioner. The rate increase must be used for scholarships as specified in this section.~~

~~(e) For instances in which a rate adjustment will be 15 cents or greater, nursing facilities that close beds during a rate year may request to have their scholarship adjustment under paragraph (b) recalculated by the commissioner for the remainder of the rate year to reflect the reduction in resident days compared to the cost report year.~~

(a) The commissioner shall provide a scholarship per diem rate calculated using the criteria in paragraphs (b) to (d). The per diem rate must be based on the allowable costs the facility paid for employee scholarships for any eligible employee, except the facility administrator, who works an average of at least ten hours per week in the licensed nursing facility building when the facility has paid expenses related to:

(1) an employee's course of study that is expected to lead to career advancement with the facility or in the field of long-term care;

(2) an employee's job-related training in English as a second language;

(3) the reimbursement of student loan expenses for newly hired registered nurses and licensed practical nurses; and

(4) the reimbursement of training, testing, and associated expenses for newly hired nursing assistants as specified in section 144A.611, subdivisions 2 and 4. The reimbursement of nursing assistant expenses under this clause is not subject to the ten-hour minimum work requirement under this paragraph.

(b) Allowable scholarship costs include: tuition, student loan reimbursement, other direct educational expenses, and reasonable costs for child care and transportation expenses directly related to education, as defined by the commissioner.

(c) The commissioner shall provide a scholarship per diem rate equal to the allowable scholarship costs divided by resident days. The commissioner shall compute the scholarship per diem rate annually and include the scholarship per diem rate in the external fixed costs payment rate.

(d) When the resulting scholarship per diem rate is 15 cents or more, nursing facilities that close beds during a rate year may request to have the scholarship rate recalculated. This recalculation is effective from the date of the bed closure through the remainder of the rate year and reflects the estimated reduction in resident days compared to the previous cost report year.

(e) Facilities seeking to have the facility's scholarship expenses recognized for the payment rate computation in section 256R.25 may apply annually by submitting information to the commissioner on a schedule and in a form supplied by the commissioner.

Sec. 30. Minnesota Statutes 2020, section 256R.39, is amended to read:

256R.39 QUALITY IMPROVEMENT INCENTIVE PROGRAM.

The commissioner shall develop a quality improvement incentive program in consultation with stakeholders. The annual funding pool available for quality improvement incentive payments ~~shall~~ must be equal to 0.8 percent of all operating payments, not including any rate components resulting from equitable cost-sharing for publicly owned nursing facility program participation under section 256R.48, critical access nursing facility program participation under section 256R.47, or performance-based incentive payment program participation under section 256R.38. ~~For the period from October 1, 2015, to December 31, 2016, rate adjustments provided under this section shall be effective for 15 months. Beginning January 1, 2017,~~ An annual rate ~~adjustments~~ adjustment provided under this section ~~shall~~ must be effective for one rate year.

Sec. 31. **REPEALER.**

Minnesota Statutes 2020, sections 245A.03, subdivision 5; 256R.08, subdivision 2; and 256R.49, and Minnesota Rules, part 9555.6255, are repealed.

ARTICLE 5
CONTINUING CARE FOR OLDER ADULTS

Section 1. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.722, 181.79, and 181.939 to 181.943, or with any rule promulgated under section 177.28 or 181.213. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 2. Minnesota Statutes 2020, section 177.27, subdivision 7, is amended to read:

Subd. 7. **Employer liability.** If an employer is found by the commissioner to have violated a section identified in subdivision 4, or any rule adopted under section 177.28 or 181.213, and the commissioner issues an order to comply, the commissioner shall order the employer to cease and desist from engaging in the violative practice and to take such affirmative steps that in the judgment of the commissioner will effectuate the purposes of the section or rule violated. The commissioner shall order the employer to pay to the aggrieved parties back pay, gratuities, and compensatory damages, less any amount actually paid to the employee by the employer, and for an additional equal amount as liquidated damages. Any employer who is found by the commissioner to have repeatedly or willfully violated a section or sections identified in subdivision 4 shall be subject to a civil penalty of up to $1,000 for each violation for each employee. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered. In addition, the commissioner may order the employer to reimburse the department and the attorney general for all appropriate litigation and hearing costs expended in preparation for and in conducting the contested case proceeding, unless payment of costs would impose extreme financial hardship on the employer. If the employer is able to establish extreme financial hardship, then the commissioner may order the employer to pay a percentage of the total costs that will not cause extreme financial hardship. Costs include but are not limited to the costs of services rendered by the attorney general, private attorneys if engaged by the department, administrative law judges, court reporters, and expert witnesses as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's order from the date the order is signed by the commissioner until it is paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish escrow accounts for purposes of distributing damages.

Sec. 3. **[181.211] DEFINITIONS.**

Subdivision 1. **Application.** The terms defined in this section apply to sections 181.211 to 181.217.

Subd. 2. **Board.** "Board" means the Minnesota Nursing Home Workforce Standards Board established under section 181.212.

Subd. 3. **Certified worker organization.** "Certified worker organization" means a worker organization that is certified by the board to conduct nursing home worker trainings under section 181.214.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of labor and industry.

Subd. 5. **Employer organization.** "Employer organization" means:

(1) an organization that is exempt from federal income taxation under section 501(c)(6) of the Internal Revenue Code and that represents nursing home employers; or

(2) an entity that employers, who together employ a majority of nursing home workers in Minnesota, have selected as a representative.

Subd. 6. **Nursing home.** "Nursing home" means a nursing home licensed under chapter 144A, or a boarding care home licensed under sections 144.50 to 144.56.

Subd. 7. **Nursing home employer.** "Nursing home employer" means an employer of nursing home workers.

Subd. 8. **Nursing home worker.** "Nursing home worker" means any worker who provides services in a nursing home in Minnesota, including direct care staff, administrative staff, and contractors.

Subd. 9. **Retaliatory personnel action.** "Retaliatory personnel action" means any form of intimidation, threat, reprisal, harassment, discrimination, or adverse employment action, including discipline, discharge, suspension, transfer, or reassignment to a lesser position in terms of job classification, job security, or other condition of employment; reduction in pay or hours or denial of additional hours; informing another employer that a nursing home worker has engaged in activities protected under sections 181.211 to 181.217; or reporting or threatening to report the actual or suspected citizenship or immigration status of a nursing home worker, former nursing home worker, or family member of a nursing home worker to a federal, state, or local agency.

Subd. 10. **Worker organization.** "Worker organization" means an organization that is exempt from federal income taxation under section 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal Revenue Code, that is not dominated or controlled by any nursing home employer within the meaning of United States Code, title 29, section 158a(2), and that has at least five years of demonstrated experience engaging with and advocating for nursing home workers.

Sec. 4. **[181.212] MINNESOTA NURSING HOME WORKFORCE STANDARDS BOARD; ESTABLISHMENT.**

Subdivision 1. **Board established; membership.** The Minnesota Nursing Home Workforce Standards Board is created with the powers and duties established by law. The board is composed of the following members:

(1) the commissioner of human services or a designee;

(2) the commissioner of health or a designee;

(3) the commissioner of labor and industry or a designee;

(4) three members who represent nursing home employers or employer organizations, appointed by the governor; and

(5) three members who represent nursing home workers or worker organizations, appointed by the governor.

Subd. 2. **Terms; vacancies.** (a) Board members appointed under subdivision 1, clause (4) or (5), shall serve four-year terms following the initial staggered-lot determination. The initial terms of members appointed under subdivision 1, clauses (4) and (5), shall be determined by lot by the secretary of state and shall be as follows:

(1) one member appointed under each of subdivision 1, clauses (4) and (5), shall serve a two-year term;

(2) one member appointed under each of subdivision 1, clauses (4) and (5), shall serve a three-year term; and

(3) one member appointed under each of subdivision 1, clauses (4) and (5), shall serve a four-year term.

(b) For members appointed under subdivision 1, clause (4) or (5), the governor shall fill vacancies occurring prior to the expiration of a member's term by appointment for the unexpired term. A member appointed under subdivision 1, clause (4) or (5), must not be appointed to more than two consecutive four-year terms.

Subd. 3. **Chairperson.** The board shall elect a member by majority vote to serve as its chairperson and shall determine the term to be served by the chairperson.

Subd. 4. **Staffing.** The board may employ an executive director and other personnel to carry out duties of the board under sections 181.211 to 181.217.

Subd. 5. **Compensation.** Compensation of board members is governed by section 15.0575.

Subd. 6. **Application of other laws.** Meetings of the board are subject to chapter 13D. The board is subject to chapter 13.

Subd. 7. **Voting.** The affirmative vote of five board members is required for the board to take any action, including action to establish minimum nursing home employment standards under section 181.213.

Subd. 8. **Hearings and investigations.** To carry out its duties, the board shall hold public hearings on, and conduct investigations into, working conditions in the nursing home industry.

Sec. 5. **[181.213] DUTIES OF THE BOARD; MINIMUM NURSING HOME EMPLOYMENT STANDARDS.**

Subdivision 1. **Authority to establish minimum nursing home employment standards.** (a) The board must adopt rules establishing minimum nursing home employment standards that are reasonably necessary and appropriate to protect the health and welfare of nursing home workers, to ensure that nursing home workers are properly trained and fully informed of their rights under sections 181.211 to 181.217, and to otherwise satisfy the purposes of sections 181.211 to 181.217. Standards established by the board must include, as appropriate, standards on compensation, working hours, and other working conditions for nursing home workers. Any standards established by the board under this section must be at least as protective of or beneficial to nursing home workers as any other applicable statute or rule or any standard previously established by the board. In establishing standards under this section, the board may establish statewide standards, standards that apply to specific nursing home occupations, standards that apply to specific geographic areas within the state, or any combination thereof.

(b) The board must adopt rules establishing initial standards for wages and working hours for nursing home workers no later than August 1, 2023. The board may use the authority in section 14.389 to adopt rules under this paragraph.

(c) To the extent that any minimum standards that the board finds are reasonably necessary and appropriate to protect the health and welfare of nursing home workers fall within the jurisdiction of chapter 182, the board shall not adopt rules establishing the standards but shall instead recommend the standards to the commissioner of labor and industry. The commissioner of labor and industry shall adopt nursing home health and safety standards under section 182.655 as recommended by the board, unless the commissioner determines that the recommended standard is outside the statutory authority of the commissioner or is otherwise unlawful and issues a written explanation of this determination.

Subd. 2. **Investigation of market conditions.** The board must investigate market conditions and the existing wages, benefits, and working conditions of nursing home workers for specific geographic areas of the state and specific nursing home occupations. Based on this information, the board must seek to adopt minimum nursing home employment standards that meet or exceed existing industry conditions for a majority of nursing home workers in the relevant geographic area and nursing home occupation. The board must consider the following types of information in making wage rate determinations that are reasonably necessary to protect the health and welfare of nursing home workers:

(1) wage rate and benefit data collected by or submitted to the board for nursing home workers in the relevant geographic area and nursing home occupations;

(2) statements showing wage rates and benefits paid to nursing home workers in the relevant geographic area and nursing home occupations;

(3) signed collective bargaining agreements applicable to nursing home workers in the relevant geographic area and nursing home occupations;

(4) testimony and information from current and former nursing home workers, worker organizations, nursing home employers, and employer organizations;

(5) local minimum nursing home employment standards;

(6) information submitted by or obtained from state and local government entities; and

(7) any other information pertinent to establishing minimum nursing home employment standards.

Subd. 3. **Review of standards.** At least once every two years, the board shall:

(1) conduct a full review of the adequacy of the minimum nursing home employment standards previously established by the board; and

(2) following that review, adopt new rules, amend or repeal existing rules, or make recommendations to adopt new rules or amend or repeal existing rules, as appropriate to meet the purposes of sections 181.211 to 181.217.

Subd. 4. **Conflict.** In the event of a conflict between a standard established by the board in rule and a rule adopted by another state agency, the rule adopted by the board shall apply to nursing home workers and nursing home employers, except where the conflicting rule is issued after the board's standard, and the rule issued by the other state agency is more protective or more beneficial, then the subsequent more protective or more beneficial rule must apply to nursing home workers and nursing home employers.

Subd. 5. **Effect on other agreements.** Nothing in sections 181.211 to 181.217 shall be construed to:

(1) limit the rights of parties to a collective bargaining agreement to bargain and agree with respect to nursing home employment standards; or

(2) diminish the obligation of a nursing home employer to comply with any contract, collective bargaining agreement, or employment benefit program or plan that meets or exceeds, and does not conflict with, the minimum standards and requirements in sections 181.211 to 181.217 or established by the board.

Sec. 6. **[181.214] DUTIES OF THE BOARD; TRAINING FOR NURSING HOME WORKERS.**

Subdivision 1. **Certification of worker organizations.** The board shall certify worker organizations that it finds are qualified to provide training to nursing home workers according to this section. The board shall by rule establish certification criteria that a worker organization must meet in order to be certified. In adopting rules to establish initial certification criteria under this subdivision, the board may use the authority in section 14.389. The criteria must ensure that a worker organization, if certified, is able to provide:

(1) effective, interactive training on the information required by this section; and

(2) follow-up written materials and responses to inquiries from nursing home workers in the languages in which nursing home workers are proficient.

Subd. 2. **Curriculum.** (a) The board shall establish requirements for the curriculum for the nursing home worker training required by this section. A curriculum must at least provide the following information to nursing home workers:

(1) the applicable compensation, working hours, and working conditions in the minimum standards or local minimum standards established by the board;

(2) the antiretaliation protections established in section 181.216;

(3) information on how to enforce sections 181.211 to 181.217 and on how to report violations of sections 181.211 to 181.217 or of standards established by the board, including contact information for the Department of Labor and Industry, the board, and any local enforcement agencies, and information on the remedies available for violations;

(4) the purposes and functions of the board and information on upcoming hearings, investigations, or other opportunities for nursing home workers to become involved in board proceedings;

(5) other rights, duties, and obligations under sections 181.211 to 181.217;

(6) any updates or changes to the information provided according to clauses (1) to (5) since the most recent training session;

(7) any other information the board deems appropriate to facilitate compliance with sections 181.211 to 181.217; and

(8) information on other applicable local, state, and federal laws, rules, and ordinances regarding nursing home working conditions or nursing home worker health and safety.

(b) Before establishing initial curriculum requirements, the board must hold at least one public hearing to solicit input on the requirements.

Subd. 3. **Topics covered in training session.** A certified worker organization is not required to cover all of the topics listed in subdivision 2 in a single training session. A curriculum used by a certified worker organization may provide instruction on each topic listed in subdivision 2 over the course of up to three training sessions.

Subd. 4. **Annual review of curriculum requirements.** The board must review the adequacy of its curriculum requirements at least annually and must revise the requirements as appropriate to meet the purposes of sections 181.211 to 181.217. As part of each annual review of the curriculum requirements, the board must hold at least one public hearing to solicit input on the requirements.

Subd. 5. **Duties of certified worker organizations.** A certified worker organization:

(1) must use a curriculum for its training sessions that meets requirements established by the board;

(2) must provide trainings that are interactive and conducted in the languages in which the attending nursing home workers are proficient;

(3) must, at the end of each training session, provide attending nursing home workers with follow-up written or electronic materials on the topics covered in the training session, in order to fully inform nursing home workers of their rights and opportunities under sections 181.211 to 181.217 and other applicable laws, rules, and ordinances governing nursing home working conditions or worker health and safety;

(4) must make itself reasonably available to respond to inquiries from nursing home workers during and after training sessions; and

(5) may conduct surveys of nursing home workers who attend a training session to assess the effectiveness of the training session and industry compliance with sections 181.211 to 181.217 and other applicable laws, rules, and ordinances governing nursing home working conditions or worker health and safety.

Subd. 6. **Nursing home employer duties regarding training.** (a) A nursing home employer must ensure, and must provide proof to the commissioner of labor and industry, that every six months each of its nursing home workers completes one hour of training that meets the requirements of this section and is provided by a certified worker organization. A nursing home employer may, but is not required to, host training sessions on the premises of the nursing home.

(b) If requested by a certified worker organization, a nursing home employer must, after a training session provided by the certified worker organization, provide the certified worker organization with the names and contact information of the nursing home workers who attended the training session, unless a nursing home worker opts out according to paragraph (c).

(c) A nursing home worker may opt out of having the worker's nursing home employer provide the worker's name and contact information to a certified worker organization that provided a training session attended by the worker by submitting a written statement to that effect to the nursing home employer.

Subd. 7. **Compensation.** A nursing home employer must compensate its nursing home workers at their regular hourly rate of wages and benefits for each hour of training completed as required by this section.

Sec. 7. **[181.215] REQUIRED NOTICES.**

Subdivision 1. **Provision of notice.** (a) Nursing home employers must provide notices informing nursing home workers of the rights and obligations provided under sections 181.211 to 181.217 of applicable minimum nursing home employment standards or local minimum standards and that for assistance and information, nursing home workers should contact the Department of Labor and Industry. A nursing home employer must provide notice using the same means that the nursing home employer uses to provide other work-related notices to nursing home workers. Provision of notice must be at least as conspicuous as:

(1) posting a copy of the notice at each work site where nursing home workers work and where the notice may be readily observed and reviewed by all nursing home workers working at the site; or

(2) providing a paper or electronic copy of the notice to all nursing home workers and applicants for employment as a nursing home worker.

(b) The notice required by this subdivision must include text provided by the board that informs nursing home workers that they may request the notice to be provided in a particular language. The nursing home employer must provide the notice in the language requested by the nursing home worker. The board must assist nursing home employers in translating the notice in the languages requested by their nursing home workers.

Subd. 2. **Minimum content and posting requirements.** The board must adopt rules specifying the minimum content and posting requirements for the notices required in subdivision 1. The board must make available to nursing home employers a template or sample notice that satisfies the requirements of this section and rules adopted under this section.

Sec. 8. **[181.216] RETALIATION ON CERTAIN GROUNDS PROHIBITED.**

A nursing home employer must not retaliate against a nursing home worker, including taking retaliatory personnel action, for:

(1) exercising any right afforded to the nursing home worker under sections 181.211 to 181.217;

(2) participating in any process or proceeding under sections 181.211 to 181.217, including but not limited to board hearings, investigations, or other proceedings; or

(3) attending or participating in the training required by section 181.214.

Sec. 9. **[181.217] ENFORCEMENT.**

Subdivision 1. **Minimum nursing home employment standards.** The minimum wages, maximum hours of work, and other working conditions established by the board in rule as minimum nursing home employment standards shall be the minimum wages, maximum hours of work, and standard conditions of labor for nursing home workers or a subgroup of nursing home workers as a matter of state law. It shall be unlawful for a nursing home employer to employ a nursing home worker for lower wages or for longer hours than those established as the minimum nursing home employment standards or under any other working conditions that violate the minimum nursing home employment standards.

Subd. 2. **Investigations.** The commissioner may investigate possible violations of sections 181.214 to 181.217 or of the minimum nursing home employment standards established by the board whenever it has cause to believe that a violation has occurred, either on the basis of a report of a suspected violation or on the basis of any other credible information, including violations found during the course of an investigation.

Subd. 3. **Enforcement authority.** The Department of Labor and Industry shall enforce sections 181.214 to 181.217 and compliance with the minimum nursing home employment standards established by the board according to the authority in section 177.27, subdivisions 4 and 7.

Subd. 4. **Civil action by nursing home worker.** (a) One or more nursing home workers may bring a civil action in district court seeking redress for violations of sections 181.211 to 181.217 or of any applicable minimum nursing home employment standards or local minimum nursing home employment standards. Such an action may be filed in the district court of the county where a violation or violations are alleged to have been committed or where the nursing home employer resides, or in any other court of competent jurisdiction, and may represent a class of similarly situated nursing home workers.

(b) Upon a finding of one or more violations, a nursing home employer shall be liable to each nursing home worker for the full amount of the wages, benefits, and overtime compensation, less any amount the nursing home employer is able to establish was actually paid to each nursing home worker and for an additional equal amount as liquidated damages. In an action under this subdivision, nursing home workers may seek damages and other appropriate relief provided by section 177.27, subdivision 7, or otherwise provided by law, including reasonable costs, disbursements, witness fees, and attorney fees. A court may also issue an order requiring compliance with sections 181.211 to 181.217 or with the applicable minimum nursing home employment standards or local minimum nursing home employment standards. A nursing home worker found to have experienced a retaliatory personnel action in violation of section 181.216 shall be entitled to reinstatement to the worker's previous position, wages, benefits, hours, and other conditions of employment.

(c) An agreement between a nursing home employer and nursing home worker or labor union that fails to meet the minimum standards and requirements in sections 181.211 to 181.217 or established by the board is not a defense to an action brought under this subdivision.

Sec. 10. Minnesota Statutes 2020, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.** (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person is a citizen of the United States or a United States national;

(2) the person has been determined by a community assessment under section 256B.0911 to be a person who would require the level of care provided in a nursing facility, as determined under section 256B.0911, subdivision 4e, but for the provision of services under the alternative care program;

(3) the person is age 65 or older;

(4) the person would be eligible for medical assistance within 135 days of admission to a nursing facility;

(5) the person is not ineligible for the payment of long-term care services by the medical assistance program due to an asset transfer penalty under section 256B.0595 or equity interest in the home exceeding $500,000 as stated in section 256B.056;

(6) the person needs long-term care services that are not funded through other state or federal funding, or other health insurance or other third-party insurance such as long-term care insurance;

(7) except for individuals described in clause (8), the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the monthly limit described under section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased under this section exceed the difference between the client's monthly service limit defined under section 256S.04, and the alternative care program monthly service limit defined in this paragraph. If care-related supplies and equipment or environmental modifications and adaptations are or will be purchased for an alternative care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's other alternative care services exceeds the monthly limit established in this paragraph, the annual cost of the alternative care services ~~shall~~ must be determined. In this event, the annual cost of alternative care services ~~shall~~ must not exceed 12 times the monthly limit described in this paragraph;

(8) for individuals assigned a case mix classification A as described under section 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies in bathing, dressing, grooming, walking, and eating when the dependency score in eating is three or greater as determined by an assessment performed under section 256B.0911, the monthly cost of alternative care services funded by the program cannot exceed $593 per month for all new participants enrolled in the program on or after July 1, 2011. This monthly limit shall be applied to all other participants who meet this criteria at reassessment. This monthly limit ~~shall~~ must be increased annually as described in section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased exceed the difference between the client's monthly service limit defined in this clause and the limit described in clause (7) for case mix classification A; ~~and~~

(9) the person is making timely payments of the assessed monthly fee~~.~~; and

(10) for a person participating in consumer-directed community supports, the person's monthly service limit must be equal to the monthly service limits in clause (7), except that a person assigned a case mix classification L must receive the monthly service limit for case mix classification A.

A person is ineligible if payment of the fee is over 60 days past due, unless the person agrees to:

(i) the appointment of a representative payee;

(ii) automatic payment from a financial account;

(iii) the establishment of greater family involvement in the financial management of payments; or

(iv) another method acceptable to the lead agency to ensure prompt fee payments.

The lead agency may extend the client's eligibility as necessary while making arrangements to facilitate payment of past-due amounts and future premium payments. Following disenrollment due to nonpayment of a monthly fee, eligibility ~~shall~~ must not be reinstated for a period of 30 days.

(b) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spenddown or waiver obligation. A person whose initial application for medical assistance and the elderly waiver program is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, medical assistance must be billed for services payable under the federally approved elderly waiver plan and delivered from the date the individual was found eligible for the federally approved elderly waiver plan. Notwithstanding this provision, alternative care funds may not be used to pay for any service the cost of which: (i) is payable by medical assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a medical assistance income spenddown for a person who is eligible to participate in the federally approved elderly waiver program under the special income standard provision.

(c) Alternative care funding is not available for a person who resides in a licensed nursing home, certified boarding care home, hospital, or intermediate care facility, except for case management services which are provided in support of the discharge planning process for a nursing home resident or certified boarding care home resident to assist with a relocation process to a community-based setting.

(d) Alternative care funding is not available for a person whose income is greater than the maintenance needs allowance under section 256S.05, but equal to or less than 120 percent of the federal poverty guideline effective July 1 in the fiscal year for which alternative care eligibility is determined, who would be eligible for the elderly waiver with a waiver obligation.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 11. Minnesota Statutes 2020, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. **Services covered under alternative care.** Alternative care funding may be used for payment of costs of:

(1) adult day services and adult day services bath;

(2) home care;

(3) homemaker services;

(4) personal care;

(5) case management and conversion case management;

(6) respite care;

(7) specialized supplies and equipment;

(8) home-delivered meals;

(9) nonmedical transportation;

(10) nursing services;

(11) chore services;

(12) companion services;

(13) nutrition services;

(14) family caregiver training and education;

(15) coaching and counseling;

(16) telehome care to provide services in their own homes in conjunction with in-home visits;

(17) consumer-directed community supports ~~under the alternative care programs which are available statewide and limited to the average monthly expenditures representative of all alternative care program participants for the same case mix resident class assigned in the most recent fiscal year for which complete expenditure data is available~~;

(18) environmental accessibility and adaptations; and

(19) discretionary services, for which lead agencies may make payment from their alternative care program allocation for services not otherwise defined in this section or section 256B.0625, following approval by the commissioner.

Total annual payments for discretionary services for all clients served by a lead agency must not exceed 25 percent of that lead agency's annual alternative care program base allocation, except that when alternative care services receive federal financial participation under the 1115 waiver demonstration, funding shall be allocated in accordance with subdivision 17.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 12. Minnesota Statutes 2020, section 256S.15, subdivision 2, is amended to read:

Subd. 2. **Foster care limit.** The elderly waiver payment for the foster care service in combination with the payment for all other elderly waiver services, including case management, must not exceed the monthly case mix budget cap for the participant as specified in sections 256S.18, subdivision 3, and 256S.19, ~~subdivisions~~ subdivision 3 ~~and 4~~.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 13. Minnesota Statutes 2020, section 256S.18, is amended by adding a subdivision to read:

Subd. 3a. **Monthly case mix budget caps for consumer-directed community supports.** The monthly case mix budget caps for each case mix classification for consumer-directed community supports must be equal to the monthly case mix budget caps in subdivision 3.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 14. Minnesota Statutes 2020, section 256S.19, subdivision 3, is amended to read:

Subd. 3. **Calculation of monthly conversion budget ~~cap without consumer-directed community supports~~ caps.** (a) The elderly waiver monthly conversion budget cap for the cost of elderly waiver services ~~without consumer-directed community supports~~ must be based on the nursing facility case mix adjusted total payment rate of the nursing facility where the elderly waiver applicant currently resides for the applicant's case mix classification as determined according to section 256R.17.

(b) The elderly waiver monthly conversion budget cap for the cost of elderly waiver services ~~without consumer-directed community supports shall~~ must be calculated by multiplying the applicable nursing facility case mix adjusted total payment rate by 365, dividing by 12, and subtracting the participant's maintenance needs allowance.

(c) A participant's initially approved monthly conversion budget cap for elderly waiver services ~~without consumer-directed community supports shall~~ must be adjusted at least annually as described in section 256S.18, subdivision 5.

(d) Conversion budget caps for individuals participating in consumer-directed community supports are also set as described in paragraphs (a) to (c).

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 15. Minnesota Statutes 2021 Supplement, section 256S.21, is amended to read:

256S.21 RATE SETTING; APPLICATION.

The payment methodologies in sections 256S.2101 to 256S.215 apply to:

(1) elderly waiver, elderly waiver customized living, and elderly waiver foster care under this chapter;

(2) alternative care under section 256B.0913;

(3) essential community supports under section 256B.0922; ~~and~~

(4) homemaker services under the developmental disability waiver under section 256B.092 and community alternative care, community access for disability inclusion, and brain injury waiver under section 256B.49; and

(5) community access for disability inclusion customized living and brain injury customized living under section 256B.49.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 16. Minnesota Statutes 2021 Supplement, section 256S.2101, subdivision 2, is amended to read:

Subd. 2. **Phase-in for elderly waiver rates.** Except for home-delivered meals ~~as described in section 256S.215, subdivision 15~~, all rates and rate components for elderly waiver, elderly waiver customized living, and elderly waiver foster care under this chapter; alternative care under section 256B.0913; and essential community supports under section 256B.0922 ~~shall~~ must be the sum of ~~18.8~~ 21.6 percent of the rates calculated under sections 256S.211 to 256S.215, and ~~81.2~~ 78.4 percent of the rates calculated using the rate methodology in effect as of June 30, 2017. ~~The rate for home-delivered meals shall be the sum of the service rate in effect as of January 1, 2019, and the increases described in section 256S.215, subdivision 15.~~

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 17. Minnesota Statutes 2021 Supplement, section 256S.2101, is amended by adding a subdivision to read:

Subd. 3. **Phase-in for home-delivered meals rate.** The home-delivered meals rate for elderly waiver under this chapter; alternative care under section 256B.0913; and essential community supports under section 256B.0922 must be the sum of 65 percent of the rate in section 256S.215, subdivision 15, and 35 percent of the rate calculated using the rate methodology in effect as of June 30, 2017.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 18. Minnesota Statutes 2020, section 256S.211, is amended by adding a subdivision to read:

Subd. 3. **Updating homemaker services rates.** On January 1, 2023, and every two years thereafter, the commissioner shall recalculate rates for homemaker services as directed by section 256S.215, subdivisions 9 to 11. Prior to recalculating the rates, the commissioner shall:

(1) update the base wage index for homemaker services in section 256S.212, subdivisions 8 to 10, based on the most recently available Bureau of Labor Statistics Minneapolis-St. Paul-Bloomington, MN-WI MetroSA data;

(2) update the payroll taxes and benefits factor in section 256S.213, subdivision 1, and the general and administrative factor in section 256S.213, subdivision 2, based on the most recently available nursing facility cost report data;

(3) update the registered nurse management and supervision wage component in section 256S.213, subdivision 4, based on the most recently available Bureau of Labor Statistics Minneapolis-St. Paul-Bloomington, MN-WI MetroSA data; and

(4) update the adjusted base wage for homemaker services as directed in section 256S.214.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 19. Minnesota Statutes 2020, section 256S.211, is amended by adding a subdivision to read:

Subd. 4. **Updating the home-delivered meals rate.** On July 1 of each year, the commissioner shall update the home-delivered meals rate in section 256S.215, subdivision 15, by the percent increase in the nursing facility dietary per diem using the two most recent and available nursing facility cost reports.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 20. Minnesota Statutes 2020, section 256S.212, is amended to read:

256S.212 RATE SETTING; BASE WAGE INDEX.

Subdivision 1. **Updating SOC codes.** If any of the SOC codes and positions used in this section are no longer available, the commissioner shall, in consultation with stakeholders, select a new SOC code and position that is the closest match to the previously used SOC position.

Subd. 2. **Home management and support services base wage.** For customized living~~,~~ and foster care~~, and residential care~~ component services, the home management and support services base wage equals 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care ~~aide~~ aides (SOC code ~~39-9021~~ 31-1120); 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for food preparation workers (SOC code 35-2021); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 3. **Home care aide base wage.** For customized living~~,~~ and foster care~~, and residential care~~ component services, the home care aide base wage equals ~~50~~ 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code ~~31-1011~~ 31-1120); and ~~50~~ 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131).

Subd. 4. **Home health aide base wage.** For customized living~~,~~ and foster care~~, and residential care~~ component services, the home health aide base wage equals ~~20~~ 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); ~~and 80~~ 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120).

Subd. 5. **Medication setups by licensed nurse base wage.** For customized living~~,~~ and foster care~~, and residential care~~ component services, the medication setups by licensed nurse base wage equals ~~ten~~ 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); and ~~90~~ 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141).

Subd. 6. **Chore services base wage.** The chore services base wage equals ~~100~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for landscaping and groundskeeping workers (SOC code 37-3011); and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 7. **Companion services base wage.** The companion services base wage equals ~~50~~ 80 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care aides (SOC code ~~39-9021~~ 31-1120); and ~~50~~ 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 8. **Homemaker services and assistance with personal care base wage.** The homemaker services and assistance with personal care base wage equals ~~60~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care ~~aide~~ aides (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131)~~; and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012)~~.

Subd. 9. **Homemaker services and cleaning base wage.** The homemaker services and cleaning base wage equals ~~60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for personal and home care aide (SOC code 39-9021); 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014); and 20~~ 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 10. **Homemaker services and home management base wage.** The homemaker services and home management base wage equals ~~60~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care ~~aide~~ aides (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131)~~; and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012)~~.

Subd. 11. **In-home respite care services base wage.** The in-home respite care services base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~nursing~~

~~assistants~~ home health and personal care aides (SOC code ~~31-1014~~ 31-1120); and ~~20~~ ten percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

Subd. 12. **Out-of-home respite care services base wage.** The out-of-home respite care services base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~nursing assistants~~ home health and personal care aides (SOC code ~~31-1014~~ 31-1120); and ~~20~~ ten percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

Subd. 13. **Individual community living support base wage.** The individual community living support base wage equals ~~20~~ 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~licensed practical and licensed vocational nurses~~ social and human services aides (SOC code ~~29-2061~~ 21-1093); and ~~80~~ 40 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131).

Subd. 14. **Registered nurse base wage.** The registered nurse base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141).

Subd. 15. **~~Social worker~~ Unlicensed supervisor base wage.** The ~~social worker~~ unlicensed supervisor base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~medical and public health social~~ first-line supervisors of personal service workers (SOC code ~~21-1022~~ 39-1098).

Subd. 16. **Adult day services base wage.** The adult day services base wage equals 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120); and 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1131).

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 21. Minnesota Statutes 2020, section 256S.213, is amended to read:

256S.213 RATE SETTING; FACTORS AND SUPERVISION WAGE COMPONENTS.

Subdivision 1. **Payroll taxes and benefits factor.** The payroll taxes and benefits factor is the sum of net payroll taxes and benefits, divided by the sum of all salaries for all nursing facilities on the most recent and available cost report.

Subd. 2. **General and administrative factor.** The general and administrative factor is ~~the difference of net general and administrative expenses and administrative salaries, divided by total operating expenses for all nursing facilities on the most recent and available cost report~~ 14.4 percent.

Subd. 3. **Program plan support factor.** (a) The program plan support factor is ~~12.8~~ ten percent for the following services to cover the cost of direct service staff needed to provide support for ~~home and community-based~~ the service when not engaged in direct contact with participants~~.~~:

(1) adult day services;

(2) customized living; and

(3) foster care.

(b) The program plan support factor is 15.5 percent for the following services to cover the cost of direct service staff needed to provide support for the service when not engaged in direct contact with participants:

(1) chore services;

(2) companion services;

(3) homemaker services and assistance with personal care;

(4) homemaker services and cleaning;

(5) homemaker services and home management;

(6) in-home respite care;

(7) individual community living support; and

(8) out-of-home respite care.

Subd. 4. **Registered nurse management and supervision ~~factor~~ wage component.** The registered nurse management and supervision ~~factor~~ wage component equals 15 percent of the registered nurse adjusted base wage as defined in section 256S.214.

Subd. 5. **~~Social worker~~ Unlicensed supervisor supervision ~~factor~~ wage component.** The ~~social worker~~ unlicensed supervisor supervision ~~factor~~ wage component equals 15 percent of the ~~social worker~~ unlicensed supervisor adjusted base wage as defined in section 256S.214.

Subd. 6. **Facility and equipment factor.** The facility and equipment factor for adult day services is 16.2 percent.

Subd. 7. **Food, supplies, and transportation factor.** The food, supplies, and transportation factor for adult day services is 24 percent.

Subd. 8. **Supplies and transportation factor.** The supplies and transportation factor for the following services is 1.56 percent:

(1) chore services;

(2) companion services;

(3) homemaker services and assistance with personal care;

(4) homemaker services and cleaning;

(5) homemaker services and home management;

(6) in-home respite care;

(7) individual community living support; and

(8) out-of-home respite care.

Subd. 9. **Absence factor.** The absence factor for the following services is 4.5 percent:

(1) adult day services;

(2) chore services;

(3) companion services;

(4) homemaker services and assistance with personal care;

(5) homemaker services and cleaning;

(6) homemaker services and home management;

(7) in-home respite care;

(8) individual community living support; and

(9) out-of-home respite care.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 22. Minnesota Statutes 2020, section 256S.214, is amended to read:

256S.214 RATE SETTING; ADJUSTED BASE WAGE.

For the purposes of section 256S.215, the adjusted base wage for each position equals the position's base wage under section 256S.212 plus:

(1) the position's base wage multiplied by the payroll taxes and benefits factor under section 256S.213, subdivision 1;

~~(2) the position's base wage multiplied by the general and administrative factor under section 256S.213, subdivision 2; and~~

~~(3)~~ (2) the position's base wage multiplied by the applicable program plan support factor under section 256S.213, subdivision 3~~.~~; and

(3) the position's base wage multiplied by the absence factor under section 256S.213, subdivision 9, if applicable.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 23. Minnesota Statutes 2020, section 256S.215, is amended to read:

256S.215 RATE SETTING; COMPONENT RATES.

Subdivision 1. **Medication setups by licensed nurse component rate.** The component rate for medication setups by a licensed nurse equals the medication setups by licensed nurse adjusted base wage.

Subd. 2. **Home management and support services component rate.** The component rate for home management and support services is calculated as follows:

(1) sum the home management and support services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor.~~ wage component;

(2) multiply the result of clause (1) by one plus the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

Subd. 3. **Home care aide services component rate.** The component rate for home care aide services is calculated as follows:

(1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor.~~ wage component;

(2) multiply clause (1) by one plus the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

Subd. 4. **Home health aide services component rate.** The component rate for home health aide services is calculated as follows:

(1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor.~~ wage component;

(2) multiply the result of clause (1) by one plus the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

Subd. 5. **Socialization component rate.** The component rate under elderly waiver customized living for one-to-one socialization equals the home management and support services component rate.

Subd. 6. **Transportation component rate.** The component rate under elderly waiver customized living for one-to-one transportation equals the home management and support services component rate.

Subd. 7. **Chore services rate.** The 15-minute unit rate for chore services is calculated as follows:

(1) sum the chore services adjusted base wage and the ~~social worker~~ unlicensed supervisor supervision ~~factor~~ wage component; ~~and~~

(2) multiply the result of clause (1) by one plus the general and administrative factor;

(3) multiply the result of clause (1) by one plus the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

Subd. 8. **Companion services rate.** The 15-minute unit rate for companion services is calculated as follows:

(1) sum the companion services adjusted base wage and the ~~social worker~~ unlicensed supervisor supervision ~~factor~~ wage component; ~~and~~

(2) multiply the result of clause (1) by one plus the general and administrative factor;

(3) multiply the result of clause (1) by one plus the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

Subd. 9. **Homemaker services and assistance with personal care rate.** The 15-minute unit rate for homemaker services and assistance with personal care is calculated as follows:

(1) sum the homemaker services and assistance with personal care adjusted base wage and the ~~registered nurse management and~~ unlicensed supervisor supervision ~~factor~~ wage component; ~~and~~

(2) multiply the result of clause (1) by one plus the general and administrative factor;

(3) multiply the result of clause (1) by one plus the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

Subd. 10. **Homemaker services and cleaning rate.** The 15-minute unit rate for homemaker services and cleaning is calculated as follows:

(1) sum the homemaker services and cleaning adjusted base wage and the ~~registered nurse management and~~ unlicensed supervisor supervision ~~factor~~ base wage; ~~and~~

(2) multiply the result of clause (1) by one plus the general and administrative factor;

(3) multiply the result of clause (1) by one plus the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

Subd. 11. **Homemaker services and home management rate.** The 15-minute unit rate for homemaker services and home management is calculated as follows:

(1) sum the homemaker services and home management adjusted base wage and the ~~registered nurse management and~~ unlicensed supervisor supervision ~~factor~~ wage component; ~~and~~

(2) multiply the result of clause (1) by one plus the general and administrative factor;

(3) multiply the result of clause (1) by one plus the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

Subd. 12. **In-home respite care services rates.** (a) The 15-minute unit rate for in-home respite care services is calculated as follows:

(1) sum the in-home respite care services adjusted base wage and the registered nurse management and supervision ~~factor~~ wage component; ~~and~~

(2) multiply the result of clause (1) by one plus the general and administrative factor;

(3) multiply the result of clause (1) by one plus the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

(b) The in-home respite care services daily rate equals the in-home respite care services 15-minute unit rate multiplied by 18.

Subd. 13. **Out-of-home respite care services rates.** (a) The 15-minute unit rate for out-of-home respite care is calculated as follows:

(1) sum the out-of-home respite care services adjusted base wage and the registered nurse management and supervision ~~factor~~ wage component; ~~and~~

(2) multiply the result of clause (1) by one plus the general and administrative factor;

(3) multiply the result of clause (1) by one plus the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

(b) The out-of-home respite care services daily rate equals the 15-minute unit rate for out-of-home respite care services multiplied by 18.

Subd. 14. **Individual community living support rate.** The individual community living support rate is calculated as follows:

(1) sum the ~~home care aide~~ individual community living support adjusted base wage and the ~~social worker~~ registered nurse management and supervision ~~factor~~ wage component; ~~and~~

(2) multiply the result of clause (1) by one plus the general and administrative factor;

(3) multiply the result of clause (1) by one plus the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

Subd. 15. **Home-delivered meals rate.** The home-delivered meals rate equals ~~$9.30~~ $8.17. ~~The commissioner shall increase the home-delivered meals rate every July 1 by the percent increase in the nursing facility dietary per diem using the two most recent and available nursing facility cost reports.~~

Subd. 16. **Adult day services rate.** The 15-minute unit rate for adult day services~~, with an assumed staffing ratio of one staff person to four participants, is the sum of~~ is calculated as follows:

(1) ~~one sixteenth of the home care aide~~ divide the adult day services adjusted base wage~~, except that the general and administrative factor used to determine the home care aide services adjusted base wage is 20 percent~~ by five to reflect an assumed staffing ratio of one to five;

(2) ~~one fourth of the registered nurse management and supervision factor~~ sum the result of clause (1) and the registered nurse management and supervision wage component; ~~and~~

(3) ~~$0.63 to cover the cost of meals.~~ multiply the result of clause (2) by one plus the general and administrative factor;

(4) multiply the result of clause (2) by one plus the facility and equipment factor;

(5) multiply the result of clause (2) by one plus the food, supplies, and transportation factor; and

(6) sum the results of clauses (2) to (5) and divide the result by four.

Subd. 17. **Adult day services bath rate.** The 15-minute unit rate for adult day services bath is ~~the sum of~~ calculated as follows:

(1) ~~one-fourth of the home care aide~~ sum the adult day services adjusted base wage~~, except that the general and administrative factor used to determine the home care aide services adjusted base wage is 20 percent~~ and the nurse management and supervision wage component;

(2) ~~one-fourth of the registered nurse management and supervision factor~~ multiply the result of clause (1) by one plus the general and administrative factor; ~~and~~

(3) ~~$0.63 to cover the cost of meals.~~ multiply the result of clause (1) by one plus the facility and equipment factor;

(4) multiply the result of clause (1) by one plus the food, supplies, and transportation factor; and

(5) sum the results of clauses (1) to (4) and divide the result by four.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 24. **DIRECTION TO COMMISSIONER; INITIAL PACE IMPLEMENTATION FUNDING.**

The commissioner of human services must work with stakeholders to develop recommendations for financing mechanisms to complete the actuarial work and cover the administrative costs of a program of all-inclusive care for the elderly (PACE). The commissioner must recommend a financing mechanism that could begin July 1, 2024. By December 15, 2023, the commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health care funding on the commissioner's progress toward developing a recommended financing mechanism.

Sec. 25. **TITLE.**

Sections 181.212 to 181.217 shall be known as the "Minnesota Nursing Home Workforce Standards Board Act."

Sec. 26. **INITIAL APPOINTMENTS.**

The governor shall make initial appointments to the Minnesota Nursing Home Workforce Standards Board under Minnesota Statutes, section 181.212, no later than August 1, 2022.

Sec. 27. **REVISOR INSTRUCTION.**

(a) In Minnesota Statutes, chapter 256S, the revisor of statutes shall change the following terms:

(1) "homemaker services and assistance with personal care" to "homemaker assistance with personal care services";

(2) "homemaker services and cleaning" to "homemaker cleaning services"; and

(3) "homemaker services and home management" to "homemaker home management services" wherever the terms appear.

(b) The revisor shall also make necessary grammatical changes related to the changes in terms.

Sec. 28. **REPEALER.**

Minnesota Statutes 2020, section 256S.19, subdivision 4, is repealed.

EFFECTIVE DATE. This section is effective January 1, 2023.

ARTICLE 6
CHILD AND VULNERABLE ADULT PROTECTION POLICY

Section 1. Minnesota Statutes 2020, section 260.012, is amended to read:

260.012 DUTY TO ENSURE PLACEMENT PREVENTION AND FAMILY REUNIFICATION; REASONABLE EFFORTS.

(a) Once a child alleged to be in need of protection or services is under the court's jurisdiction, the court shall ensure that reasonable efforts, including culturally appropriate services and practices, by the social services agency are made to prevent placement or to eliminate the need for removal and to reunite the child with the child's family at the earliest possible time, and the court must ensure that the responsible social services agency makes reasonable efforts to finalize an alternative permanent plan for the child as provided in paragraph (e). In determining reasonable efforts to be made with respect to a child and in making those reasonable efforts, the child's best interests, health, and safety must be of paramount concern. Reasonable efforts to prevent placement and for rehabilitation and reunification are always required except upon a determination by the court that a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been terminated involuntarily;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parent's custodial rights to another child have been involuntarily transferred to a relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable under the circumstances.

(b) When the court makes one of the prima facie determinations under paragraph (a), either permanency pleadings under section 260C.505, or a termination of parental rights petition under sections 260C.141 and 260C.301 must be filed. A permanency hearing under sections 260C.503 to 260C.521 must be held within 30 days of this determination.

(c) In the case of an Indian child, in proceedings under sections 260B.178, 260C.178, 260C.201, 260C.202, 260C.204, 260C.301, or 260C.503 to 260C.521, the juvenile court must make findings and conclusions consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901 et seq., as to the provision of active efforts. In cases governed by the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, the responsible social services agency must provide active efforts as required under United States Code, title 25, section 1911(d).

(d) "Reasonable efforts to prevent placement" means:

(1) the agency has made reasonable efforts to prevent the placement of the child in foster care by working with the family to develop and implement a safety plan that is individualized to the needs of the child and the child's family and may include support persons from the child's extended family, kin network, and community; or

(2) the agency has demonstrated to the court that, given the particular circumstances of the child and family at the time of the child's removal, there are no services or efforts available ~~which~~ that could allow the child to safely remain in the home.

(e) "Reasonable efforts to finalize a permanent plan for the child" means due diligence by the responsible social services agency to:

(1) reunify the child with the parent or guardian from whom the child was removed;

(2) assess a noncustodial parent's ability to provide day-to-day care for the child and, where appropriate, provide services necessary to enable the noncustodial parent to safely provide the care, as required by section 260C.219;

(3) conduct a relative search to identify and provide notice to adult relatives, and engage relatives in case planning and permanency planning, as required under section 260C.221;

(4) consider placing the child with relatives in the order specified in section 260C.212, subdivision 2, paragraph (a);

~~(4)~~ (5) place siblings removed from their home in the same home for foster care or adoption, or transfer permanent legal and physical custody to a relative. Visitation between siblings who are not in the same foster care, adoption, or custodial placement or facility shall be consistent with section 260C.212, subdivision 2; and

~~(5)~~ (6) when the child cannot return to the parent or guardian from whom the child was removed, to plan for and finalize a safe and legally permanent alternative home for the child, and considers permanent alternative homes for the child inside or outside of the state, preferably with a relative in the order specified in section 260C.212, subdivision 2, paragraph (a), through adoption or transfer of permanent legal and physical custody of the child.

(f) Reasonable efforts are made upon the exercise of due diligence by the responsible social services agency to use culturally appropriate and available services to meet the individualized needs of the child and the child's family. Services may include those provided by the responsible social services agency and other culturally appropriate services available in the community. The responsible social services agency must select services for a child and the child's family by collaborating with the child's family and, if appropriate, the child. At each stage of the proceedings ~~where~~ when the court is required to review the appropriateness of the responsible social services agency's reasonable efforts as described in paragraphs (a), (d), and (e), the social services agency has the burden of demonstrating that:

(1) ~~it~~ the agency has made reasonable efforts to prevent placement of the child in foster care, including that the agency considered or established a safety plan according to paragraph (d), clause (1);

(2) ~~it~~ the agency has made reasonable efforts to eliminate the need for removal of the child from the child's home and to reunify the child with the child's family at the earliest possible time;

(3) the agency has made reasonable efforts to finalize a permanent plan for the child pursuant to paragraph (e);

~~(3) it~~ (4) the agency has made reasonable efforts to finalize an alternative permanent home for the child, and ~~considers~~ considered permanent alternative homes for the child ~~inside or outside~~ in or out of the state, preferably with a relative in the order specified in section 260C.212, subdivision 2, paragraph (a); or

~~(4)~~ (5) reasonable efforts to prevent placement and to reunify the child with the parent or guardian are not required. The agency may meet this burden by stating facts in a sworn petition filed under section 260C.141, by filing an affidavit summarizing the agency's reasonable efforts or facts that the agency believes demonstrate that there is no need for reasonable efforts to reunify the parent and child, or through testimony or a certified report required under juvenile court rules.

(g) Once the court determines that reasonable efforts for reunification are not required because the court has made one of the prima facie determinations under paragraph (a), the court may only require the agency to make reasonable efforts for reunification after a hearing according to section 260C.163, ~~where~~ if the court finds that there is not clear and convincing evidence of the facts upon which the court based ~~its~~ the court's prima facie determination. ~~In this case when~~ If there is clear and convincing evidence that the child is in need of protection or services, the court may find the child in need of protection or services and order any of the dispositions available under section 260C.201, subdivision 1. Reunification of a child with a parent is not required if the parent has been convicted of:

(1) a violation of, or an attempt or conspiracy to commit a violation of, sections 609.185 to 609.20; 609.222, subdivision 2; or 609.223 in regard to another child of the parent;

(2) a violation of section 609.222, subdivision 2; or 609.223, in regard to the child;

(3) a violation of, or an attempt or conspiracy to commit a violation of, United States Code, title 18, section 1111(a) or 1112(a), in regard to another child of the parent;

(4) committing sexual abuse as defined in section 260E.03, against the child or another child of the parent; or

(5) an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b).

(h) The juvenile court, in proceedings under sections 260B.178, 260C.178, 260C.201, 260C.202, 260C.204, 260C.301, or 260C.503 to 260C.521, shall make findings and conclusions as to the provision of reasonable efforts. When determining whether reasonable efforts have been made by the agency, the court shall consider whether services to the child and family were:

(1) selected in collaboration with the child's family and, if appropriate, the child;

(2) tailored to the individualized needs of the child and child's family;

~~(1)~~ (3) relevant to the safety ~~and,~~ protection, and well-being of the child;

~~(2)~~ (4) adequate to meet the individualized needs of the child and family;

~~(3)~~ (5) culturally appropriate;

~~(4)~~ (6) available and accessible;

~~(5)~~ (7) consistent and timely; and

~~(6)~~ (8) realistic under the circumstances.

In the alternative, the court may determine that the provision of services or further services for the purpose of rehabilitation is futile and therefore unreasonable under the circumstances or that reasonable efforts are not required as provided in paragraph (a).

(i) This section does not prevent out-of-home placement for the treatment of a child with a mental disability when it is determined to be medically necessary as a result of the child's diagnostic assessment or the child's individual treatment plan indicates that appropriate and necessary treatment cannot be effectively provided outside of a residential or inpatient treatment program and the level or intensity of supervision and treatment cannot be effectively and safely provided in the child's home or community and it is determined that a residential treatment setting is the least restrictive setting that is appropriate to the needs of the child.

(j) If continuation of reasonable efforts to prevent placement or reunify the child with the parent or guardian from whom the child was removed is determined by the court to be inconsistent with the permanent plan for the child or upon the court making one of the prima facie determinations under paragraph (a), reasonable efforts must be made to place the child in a timely manner in a safe and permanent home and to complete whatever steps are necessary to legally finalize the permanent placement of the child.

(k) Reasonable efforts to place a child for adoption or in another permanent placement may be made concurrently with reasonable efforts to prevent placement or to reunify the child with the parent or guardian from whom the child was removed. When the responsible social services agency decides to concurrently make reasonable efforts for both reunification and permanent placement away from the parent under paragraph (a), the agency shall disclose ~~its~~ the agency's decision and both plans for concurrent reasonable efforts to all parties and the court. When the agency discloses ~~its~~ the agency's decision to proceed ~~on~~ with both plans for reunification and permanent placement away from the parent, the court's review of the agency's reasonable efforts shall include the agency's efforts under both plans.

Sec. 2. Minnesota Statutes 2020, section 260C.001, subdivision 3, is amended to read:

Subd. 3. **Permanency, termination of parental rights, and adoption.** The purpose of the laws relating to permanency, termination of parental rights, and children who come under the guardianship of the commissioner of human services is to ensure that:

(1) when required and appropriate, reasonable efforts have been made by the social services agency to reunite the child with the child's parents in a home that is safe and permanent;

(2) if placement with the parents is not reasonably foreseeable, to secure for the child a safe and permanent placement according to the requirements of section 260C.212, subdivision 2, preferably ~~with adoptive parents~~ with a relative through an adoption or a transfer of permanent legal and physical custody or, if that is not possible or in the best interests of the child, ~~a fit and willing relative through transfer of permanent legal and physical custody to that relative~~ with a nonrelative caregiver through adoption; and

(3) when a child is under the guardianship of the commissioner of human services, reasonable efforts are made to finalize an adoptive home for the child in a timely manner.

Nothing in this section requires reasonable efforts to prevent placement or to reunify the child with the parent or guardian to be made in circumstances where the court has determined that the child has been subjected to egregious harm, when the child is an abandoned infant, the parent has involuntarily lost custody of another child through a proceeding under section 260C.515, subdivision 4, or similar law of another state, the parental rights of the parent to a sibling have been involuntarily terminated, or the court has determined that reasonable efforts or further reasonable efforts to reunify the child with the parent or guardian would be futile.

The paramount consideration in all proceedings for permanent placement of the child under sections 260C.503 to 260C.521, or the termination of parental rights is the best interests of the child. In proceedings involving an American Indian child, as defined in section 260.755, subdivision 8, the best interests of the child must be determined consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et seq.

Sec. 3. Minnesota Statutes 2020, section 260C.007, subdivision 27, is amended to read:

Subd. 27. **Relative.** "Relative" means a person related to the child by blood, marriage, or adoption; the legal parent, guardian, or custodian of the child's siblings; or an individual who is an important friend of the child or of the child's parent or custodian, including an individual with whom the child has resided or had significant contact or who has a significant relationship to the child or the child's parent or custodian.

Sec. 4. Minnesota Statutes 2020, section 260C.151, subdivision 6, is amended to read:

Subd. 6. **Immediate custody.** If the court makes individualized, explicit findings, based on the notarized petition or sworn affidavit, that there are reasonable grounds to believe that the child is in surroundings or conditions ~~which~~ that endanger the child's health, safety, or welfare that require that responsibility for the child's care and custody be immediately assumed by the responsible social services agency and that continuation of the child in the custody of the parent or guardian is contrary to the child's welfare, the court may order that the officer serving the summons take the child into immediate custody for placement of the child in foster care, preferably with a relative. In ordering that responsibility for the care, custody, and control of the child be assumed by the responsible social services agency, the court is ordering emergency protective care as that term is defined in the juvenile court rules.

Sec. 5. Minnesota Statutes 2020, section 260C.152, subdivision 5, is amended to read:

Subd. 5. **Notice to foster parents and preadoptive parents and relatives.** The foster parents, if any, of a child and any preadoptive parent or relative providing care for the child must be provided notice of and a right to be heard in any review or hearing to be held with respect to the child. Any other relative may also request, and must be granted, a notice and the ~~opportunity~~ right to be heard under this section. This subdivision does not require that a foster parent, preadoptive parent, or any relative providing care for the child be made a party to a review or hearing solely on the basis of the notice and right to be heard.

Sec. 6. Minnesota Statutes 2020, section 260C.175, subdivision 2, is amended to read:

Subd. 2. **Notice to parent or custodian and child; emergency placement with relative.** ~~Whenever~~ (a) At the time that a peace officer takes a child into custody for relative placement or shelter care ~~or relative placement~~ pursuant to subdivision 1, section 260C.151, subdivision 5, or section 260C.154, the officer shall notify the child's parent or custodian and the child, if the child is ten years of age or older, that under section 260C.181, subdivision 2, the parent or custodian or the child may request ~~that~~ to place the child ~~be placed~~ with a relative ~~or a designated caregiver under~~ as defined in section 260C.007, subdivision 27, ~~chapter 257A~~ instead of in a shelter care facility. When a child who is not alleged to be delinquent is taken into custody pursuant to subdivision 1, clause (1) or (2), item (ii), and placement with an identified relative is requested, the peace officer shall coordinate with the responsible social services agency to ensure the child's safety and well-being, and comply with section 260C.181, subdivision 2.

(c) The officer also shall give the parent or custodian of the child a list of names, addresses, and telephone numbers of social services agencies that offer child welfare services. If the parent or custodian was not present when the child was removed from the residence, the list shall be left with an adult on the premises or left in a conspicuous place on the premises if no adult is present. If the officer has reason to believe the parent or custodian is not able to read and understand English, the officer must provide a list that is written in the language of the parent or custodian. The list shall be prepared by the commissioner of human services. The commissioner shall prepare lists for each county and provide each county with copies of the list without charge. The list shall be reviewed annually by the commissioner and updated if it is no longer accurate. Neither the commissioner nor any peace officer or the officer's employer shall be liable to any person for mistakes or omissions in the list. The list does not constitute a promise that any agency listed will ~~in fact~~ assist the parent or custodian.

Sec. 7. Minnesota Statutes 2020, section 260C.176, subdivision 2, is amended to read:

Subd. 2. **Reasons for detention.** (a) If the child is not released as provided in subdivision 1, the person taking the child into custody shall notify the court as soon as possible of the detention of the child and the reasons for detention.

(b) No child taken into custody and placed in a relative's home or shelter care facility ~~or relative's home~~ by a peace officer pursuant to section 260C.175, subdivision 1, clause (1) or (2), item (ii), may be held in custody longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed and the judge or referee determines pursuant to section 260C.178 that the child shall remain in custody or unless the court has made a finding of domestic abuse perpetrated by a minor after a hearing under Laws 1997, chapter 239, article 10, sections 2 to 26, in which case the court may extend the period of detention for an additional seven days, within which time the social services agency shall conduct an assessment and shall provide recommendations to the court regarding voluntary services or file a child in need of protection or services petition.

Sec. 8. Minnesota Statutes 2020, section 260C.178, subdivision 1, is amended to read:

Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a hearing within 72 hours of the time that the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue to be in custody.

(b) Unless there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.

(c) If the court determines that there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child:

(1) into the care of the child's noncustodial parent and order the noncustodial parent to comply with any conditions that the court determines appropriate to ensure the safety and care of the child, including requiring the noncustodial parent to cooperate with paternity establishment proceedings if the noncustodial parent has not been adjudicated the child's father; or

(2) into foster care as defined in section 260C.007, subdivision 18, under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules ~~or into the home of a noncustodial parent and order the noncustodial~~

~~parent to comply with any conditions the court determines to be appropriate to the safety and care of the child, including cooperating with paternity establishment proceedings in the case of a man who has not been adjudicated the child's father~~. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

(e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to section 260.762 and the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

(1) that ~~it~~ the agency has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or

(2) that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. The court shall not make a reasonable efforts determination under this clause unless the court is satisfied that the agency has sufficiently demonstrated to the court that there were no services or other efforts that the agency was able to provide at the time of the hearing enabling the child to safely remain home or to safely return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered ~~which~~ that would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph (g) exists, the court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

(f) If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

~~(f)~~ (g) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

~~(g)~~ (h) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been involuntarily terminated;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (e), clause (1); section 260C.515, subdivision 4; or a similar law of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

~~(h)~~ (i) When a petition to terminate parental rights is required under section 260C.301, subdivision 4, or 260C.503, subdivision 2, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.507, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

~~(i)~~ (j) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.503, subdivision 2, paragraph (c).

~~(j)~~ (k) If the court determines the child should be ordered into foster care and the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with sections 260C.150, 260C.151, 260C.212, 260C.215, 260C.219, and 260C.221.

~~(k)~~ (l) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

~~(l)~~ (m) When the court has ordered the child into the care of a noncustodial parent or in foster care ~~or into the home of a noncustodial parent~~, the court may order a chemical dependency evaluation, mental health evaluation, medical examination, and parenting assessment for the parent as necessary to support the development of a plan for reunification required under subdivision 7 and section 260C.212, subdivision 1, or the child protective services plan under section 260E.26, and Minnesota Rules, part 9560.0228.

Sec. 9. Minnesota Statutes 2020, section 260C.181, subdivision 2, is amended to read:

Subd. 2. **Least restrictive setting.** Notwithstanding the provisions of subdivision 1, if the child had been taken into custody pursuant to section 260C.175, subdivision 1, clause (1) or (2), item (ii), and is not alleged to be delinquent, the child shall be detained in the least restrictive setting consistent with the child's health and welfare and in closest proximity to the child's family as possible. Placement may be with a child's relative~~, a designated caregiver under chapter 257A,~~ or, if no placement is available with a relative, in a shelter care facility. The placing officer shall comply with this section and shall document why a less restrictive setting will or will not be in the best interests of the child for placement purposes.

Sec. 10. Minnesota Statutes 2020, section 260C.193, subdivision 3, is amended to read:

Subd. 3. **Best interests of the child.** (a) The policy of the state is to ensure that the best interests of children in foster care, who experience a transfer of permanent legal and physical custody to a relative under section 260C.515, subdivision 4, or adoption under this chapter, are met by:

(1) considering placement of a child with relatives in the order specified in section 260C.212, subdivision 2, paragraph (a); and

(2) requiring individualized determinations under section 260C.212, subdivision 2, paragraph (b), of the needs of the child and of how the selected home will serve the needs of the child.

(b) No later than three months after a child is ordered to be removed from the care of a parent in the hearing required under section 260C.202, the court shall review and enter findings regarding whether the responsible social services agency ~~made~~:

(1) ~~diligent efforts~~ exercised due diligence to identify ~~and,~~ search for, notify, and engage relatives as required under section 260C.221; and

(2) made a placement consistent with section 260C.212, subdivision 2, that is based on an individualized determination ~~as required under section 260C.212, subdivision 2,~~ of the child's needs to select a home that meets the needs of the child.

(c) If the court finds that the agency has not ~~made efforts~~ exercised due diligence as required under section 260C.221, ~~and~~ the court shall order the agency to make reasonable efforts. If there is a relative who qualifies to be licensed to provide family foster care under chapter 245A, the court may order the child to be placed with the relative consistent with the child's best interests.

(d) If the agency's efforts under section 260C.221 are found by the court to be sufficient, the court shall order the agency to continue to appropriately engage relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to appropriately engage relatives who subsequently come to the agency's attention. A court's finding that the agency has made reasonable efforts under this paragraph does not relieve the agency of the duty to continue notifying relatives who come to the agency's attention and engaging and considering relatives who respond to the notice under section 260C.221 in child placement and case planning decisions.

(e) If the child's birth parent ~~or parents~~ explicitly ~~request~~ requests that a specific relative ~~or important friend~~ not be considered for placement of the child, the court shall honor that request if it is consistent with the best interests of the child and consistent with the requirements of section 260C.221. The court shall not waive relative search, notice, and consideration requirements, unless section 260C.139 applies. If the child's birth parent ~~or parents express~~ expresses a preference for placing the child in a foster or adoptive home of the same or a similar religious background ~~to~~ as that of the birth parent or parents, the court shall order placement of the child with an individual who meets the birth parent's religious preference.

(f) Placement of a child ~~cannot~~ must not be delayed or denied based on race, color, or national origin of the foster parent or the child.

(g) Whenever possible, siblings requiring foster care placement ~~should~~ shall be placed together unless it is determined not to be in the best interests of one or more of the siblings after weighing the benefits of separate placement against the benefits of sibling connections for each sibling. The agency shall consider section 260C.008 when making this determination. If siblings were not placed together according to section 260C.212, subdivision 2, paragraph (d), the responsible social services agency shall report to the court the efforts made to place the siblings

together and why the efforts were not successful. If the court is not satisfied that the agency has made reasonable efforts to place siblings together, the court must order the agency to make further reasonable efforts. If siblings are not placed together, the court shall order the responsible social services agency to implement the plan for visitation among siblings required as part of the out-of-home placement plan under section 260C.212.

(h) This subdivision does not affect the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.

Sec. 11. Minnesota Statutes 2020, 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, ~~it~~ 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 ~~for~~ 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~~, paragraph (b)~~, 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 ~~which~~ that describes the child's circumstances during the trial home visit and recommends appropriate orders, if any, for the court to enter to provide for the child's safety and stability. In the event a trial home visit is terminated by the agency by removing the child to foster care without prior court order or authorization, the court shall conduct a hearing within ten days of receiving notice of the termination of the trial home visit by the agency and shall order disposition under this subdivision or commence permanency proceedings under sections 260C.503 to 260C.515. The time period for the hearing may be extended by the court for good cause shown and if it is in the best interests of the child as long as the total time the child spends in foster care without a permanency hearing does not exceed 12 months;

(4) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a physical or mental disability or emotional disturbance as defined in section 245.4871, subdivision 15, the court may order the child's parent, guardian, or custodian to provide it. The court may order the child's health plan company to provide mental health services to the child. Section 62Q.535 applies to an order for mental health services directed to the child's health plan company. If the health plan, parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. Absent specific written findings by the court that the child's disability is the result of abuse or neglect by the child's parent or guardian, the court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(5) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to $100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child or of public safety that the child's driver's license or instruction permit be canceled, the court may order the commissioner of public safety to cancel the child's license or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, order the commissioner of public safety to allow the child to apply for a license or permit, and the commissioner shall so authorize;

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

To the extent practicable, the court shall enter a disposition order the same day it makes a finding that a child is in need of protection or services or neglected and in foster care, but in no event more than 15 days after the finding unless the court finds that the best interests of the child will be served by granting a delay. If the child was under eight years of age at the time the petition was filed, the disposition order must be entered within ten days of the finding and the court may not grant a delay unless good cause is shown and the court finds the best interests of the child will be served by the delay.

(c) If a child who is 14 years of age or older is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a school attendance review board or county attorney mediation program under section 260A.06 or 260A.07, the court shall order a cancellation or denial of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th birthday.

(d) In the case of a child adjudicated in need of protection or services because the child has committed domestic abuse and been ordered excluded from the child's parent's home, the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing to provide an alternative safe living arrangement for the child, as defined in Laws 1997, chapter 239, article 10, section 2.

(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.

Sec. 12. Minnesota Statutes 2020, 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~~, paragraph (b)~~, 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 245A.035, a licensed relative, or other licensed foster care provider, who will commit to being the permanent legal parent or custodian for the child in the event reunification cannot occur, but who will actively support the reunification plan for the child. If the court finds that the agency has not appropriately considered relatives for placement of the child, the court shall order the agency to comply with section 260C.212, subdivision 2, paragraph (a). The court may order the agency to continue considering relatives for placement of the child regardless of the child's current placement setting; and

(v) to place siblings together in the same home or to ensure visitation is occurring when siblings are separated in foster care placement and visitation is in the siblings' best interests under section 260C.212, subdivision 2, paragraph (d); and

(5) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a mental disability or emotional disturbance as defined in section 245.4871, subdivision 15, the written findings shall also set forth:

(i) whether the child has mental health needs that must be addressed by the case plan;

(ii) what consideration was given to the diagnostic and functional assessments performed by the child's mental health professional and to health and mental health care professionals' treatment recommendations;

(iii) what consideration was given to the requests or preferences of the child's parent or guardian with regard to the child's interventions, services, or treatment; and

(iv) what consideration was given to the cultural appropriateness of the child's treatment or services.

(b) If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(c) If the child has been identified by the responsible social services agency as the subject of concurrent permanency planning, the court shall review the reasonable efforts of the agency to develop a permanency plan for the child that includes a primary plan ~~which~~ that is for reunification with the child's parent or guardian and a secondary plan ~~which~~ that is for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner.

Sec. 13. Minnesota Statutes 2020, section 260C.202, is amended to read:

260C.202 COURT REVIEW OF FOSTER CARE.

(a) If the court orders a child placed in foster care, the court shall review the out-of-home placement plan and the child's placement at least every 90 days as required in juvenile court rules to determine whether continued out-of-home placement is necessary and appropriate or whether the child should be returned home. This review is not required if the court has returned the child home, ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521, or terminated rights under section 260C.301. Court review for a child permanently placed away from a parent, including where the child is under guardianship of the commissioner, shall be governed by section 260C.607. When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(b) No later than three months after the child's placement in foster care, the court shall review agency efforts to search for and notify relatives pursuant to section 260C.221, and order that the agency's efforts begin immediately, or continue, if the agency has failed to perform, or has not adequately performed, the duties under that section. The court must order the agency to continue to appropriately engage relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to consider relatives for foster care placement consistent with section 260C.221. Notwithstanding a court's finding that the agency has made reasonable efforts to search for and notify relatives under section 260C.221, the court may order the agency to continue making reasonable efforts to search for, notify, engage ~~other~~, and consider relatives who came to the agency's attention after sending the initial notice under section 260C.221 ~~was sent~~.

(c) The court shall review the out-of-home placement plan and may modify the plan as provided under section 260C.201, subdivisions 6 and 7.

(d) When the court ~~orders transfer of~~ transfers the custody of a child to a responsible social services agency resulting in foster care or protective supervision with a noncustodial parent under subdivision 1, the court shall notify the parents of the provisions of sections 260C.204 and 260C.503 to 260C.521, as required under juvenile court rules.

(e) When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court shall at least annually conduct the review required under section 260C.203.

Sec. 14. Minnesota Statutes 2020, section 260C.203, is amended to read:

260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.

(a) Unless the court is conducting the reviews required under section 260C.202, there shall be an administrative review of the out-of-home placement plan of each child placed in foster care no later than 180 days after the initial placement of the child in foster care and at least every six months thereafter if the child is not returned to the home of the parent or parents within that time. The out-of-home placement plan must be monitored and updated by the responsible social services agency at each administrative review. The administrative review shall be conducted by the responsible social services agency using a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review. The administrative review shall be open to participation by the parent or guardian of the child and the child, as appropriate.

(b) As an alternative to the administrative review required in paragraph (a), the court may, as part of any hearing required under the Minnesota Rules of Juvenile Protection Procedure, conduct a hearing to monitor and update the out-of-home placement plan pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph (d). The party requesting review of the out-of-home placement plan shall give parties to the proceeding notice of the request to review and update the out-of-home placement plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193; 260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the requirement for the review so long as the other requirements of this section are met.

(c) As appropriate to the stage of the proceedings and relevant court orders, the responsible social services agency or the court shall review:

(1) the safety, permanency needs, and well-being of the child;

(2) the continuing necessity for and appropriateness of the placement, including whether the placement is consistent with the child's best interests and other placement considerations, including relative and sibling placement considerations under section 260C.212, subdivision 2;

(3) the extent of compliance with the out-of-home placement plan required under section 260C.212, subdivisions 1 and 1a, including services and resources that the agency has provided to the child and child's parents, services and resources that other agencies and individuals have provided to the child and child's parents, and whether the out-of-home placement plan is individualized to the needs of the child and child's parents;

(4) the extent of progress that has been made toward alleviating or mitigating the causes necessitating placement in foster care;

(5) the projected date by which the child may be returned to and safely maintained in the home or placed permanently away from the care of the parent or parents or guardian; and

(6) the appropriateness of the services provided to the child.

(d) When a child is age 14 or older:

(1) in addition to any administrative review conducted by the responsible social services agency, at the in-court review required under section 260C.317, subdivision 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the independent living plan required under section 260C.212, subdivision 1, paragraph (c), clause (12), and the provision of services to the child related to the well-being of the child as the child prepares to leave foster care. The review shall include the actual plans related to each item in the plan necessary to the child's future safety and well-being when the child is no longer in foster care; and

(2) consistent with the requirements of the independent living plan, the court shall review progress toward or accomplishment of the following goals:

(i) the child has obtained a high school diploma or its equivalent;

(ii) the child has completed a driver's education course or has demonstrated the ability to use public transportation in the child's community;

(iii) the child is employed or enrolled in postsecondary education;

(iv) the child has applied for and obtained postsecondary education financial aid for which the child is eligible;

(v) the child has health care coverage and health care providers to meet the child's physical and mental health needs;

(vi) the child has applied for and obtained disability income assistance for which the child is eligible;

(vii) the child has obtained affordable housing with necessary supports, which does not include a homeless shelter;

(viii) the child has saved sufficient funds to pay for the first month's rent and a damage deposit;

(ix) the child has an alternative affordable housing plan, which does not include a homeless shelter, if the original housing plan is unworkable;

(x) the child, if male, has registered for the Selective Service; and

(xi) the child has a permanent connection to a caring adult.

Sec. 15. Minnesota Statutes 2020, section 260C.204, is amended to read:

260C.204 PERMANENCY PROGRESS REVIEW FOR CHILDREN IN FOSTER CARE FOR SIX MONTHS.

(a) When a child continues in placement out of the home of the parent or guardian from whom the child was removed, no later than six months after the child's placement the court shall conduct a permanency progress hearing to review:

(1) the progress of the case, the parent's progress on the case plan or out-of-home placement plan, whichever is applicable;

(2) the agency's reasonable, or in the case of an Indian child, active efforts for reunification and its provision of services;

(3) the agency's reasonable efforts to finalize the permanent plan for the child under section 260.012, paragraph (e), and to make a placement as required under section 260C.212, subdivision 2, in a home that will commit to being the legally permanent family for the child in the event the child cannot return home according to the timelines in this section; and

(4) in the case of an Indian child, active efforts to prevent the breakup of the Indian family and to make a placement according to the placement preferences under United States Code, title 25, chapter 21, section 1915.

(b) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(c) The court shall ensure that notice of the hearing is sent to any relative who:

(1) responded to the agency's notice provided under section 260C.221, indicating an interest in participating in planning for the child or being a permanency resource for the child and who has kept the court apprised of the relative's address; or

(2) asked to be notified of court proceedings regarding the child as is permitted in section 260C.152, subdivision 5.

(d)(1) If the parent or guardian has maintained contact with the child and is complying with the court-ordered out-of-home placement plan, and if the child would benefit from reunification with the parent, the court may either:

(i) return the child home, if the conditions ~~which~~ that led to the out-of-home placement have been sufficiently mitigated that it is safe and in the child's best interests to return home; or

(ii) continue the matter up to a total of six additional months. If the child has not returned home by the end of the additional six months, the court must conduct a hearing according to sections 260C.503 to 260C.521.

(2) If the court determines that the parent or guardian is not complying, is not making progress with or engaging with services in the out-of-home placement plan, or is not maintaining regular contact with the child as outlined in the visitation plan required as part of the out-of-home placement plan under section 260C.212, the court may order the responsible social services agency:

(i) to develop a plan for legally permanent placement of the child away from the parent;

(ii) to consider, identify, recruit, and support one or more permanency resources from the child's relatives and foster parent, consistent with section 260C.212, subdivision 2, paragraph (a), to be the legally permanent home in the event the child cannot be returned to the parent. Any relative or the child's foster parent may ask the court to order the agency to consider them for permanent placement of the child in the event the child cannot be returned to the parent. A relative or foster parent who wants to be considered under this item shall cooperate with the background study required under section 245C.08, if the individual has not already done so, and with the home study process required under chapter 245A for providing child foster care and for adoption under section 259.41. The home study referred to in this item shall be a single-home study in the form required by the commissioner of human services or similar study required by the individual's state of residence when the subject of the study is not a resident of Minnesota. The court may order the responsible social services agency to make a referral under the Interstate Compact on the Placement of Children when necessary to obtain a home study for an individual who wants to be considered for transfer of permanent legal and physical custody or adoption of the child; and

(iii) to file a petition to support an order for the legally permanent placement plan.

(e) Following the review under this section:

(1) if the court has either returned the child home or continued the matter up to a total of six additional months, the agency shall continue to provide services to support the child's return home or to make reasonable efforts to achieve reunification of the child and the parent as ordered by the court under an approved case plan;

(2) if the court orders the agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative, a petition supporting the plan shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the pleadings; or

(3) if the court orders the agency to file a termination of parental rights, unless the county attorney can show cause why a termination of parental rights petition should not be filed, a petition for termination of parental rights shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the petition.

Sec. 16. Minnesota Statutes 2021 Supplement, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.

(b) An out-of-home placement plan means a written document ~~which~~ individualized to the needs of the child and the child's parents or guardians that is prepared by the responsible social services agency jointly with ~~the parent or parents or guardian of the child~~ the child's parents or guardians and in consultation with the child's guardian ad litem~~,~~; the child's tribe, if the child is an Indian child~~,~~; the child's foster parent or representative of the foster care facility~~,~~; and, ~~where~~ when appropriate, the child. When a child is age 14 or older, the child may include two other individuals on the team preparing the child's out-of-home placement plan. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards. The responsible social services agency may reject an individual selected by the child if the agency has good cause to believe that the individual would not act in the best interest of the child. For a child in voluntary foster care for treatment under chapter 260D, preparation of the out-of-home placement plan shall additionally include the child's mental health treatment provider. For a child 18 years of age or older, the responsible social services agency shall involve the child and the child's parents as appropriate. As appropriate, the plan shall be:

(1) submitted to the court for approval under section 260C.178, subdivision 7;

(2) ordered by the court, either as presented or modified after hearing, under section 260C.178, subdivision 7, or 260C.201, subdivision 6; and

(3) signed by the parent or parents or guardian of the child, the child's guardian ad litem, a representative of the child's tribe, the responsible social services agency, and, if possible, the child.

(c) The out-of-home placement plan shall be explained by the responsible social services agency to all persons involved in ~~its~~ the plan's implementation, including the child who has signed the plan, and shall set forth:

(1) a description of the foster care home or facility selected, including how the out-of-home placement plan is designed to achieve a safe placement for the child in the least restrictive, most family-like~~,~~ setting available ~~which~~ that is in close proximity to the home of the ~~parent or~~ child's parents or ~~guardian of the child~~ guardians when the case plan goal is reunification~~,~~; and how the placement is consistent with the best interests and special needs of the child according to the factors under subdivision 2, paragraph (b);

(2) the specific reasons for the placement of the child in foster care, and when reunification is the plan, a description of the problems or conditions in the home of the parent or parents ~~which~~ that necessitated removal of the child from home and the changes the parent or parents must make for the child to safely return home;

(3) a description of the services offered and provided to prevent removal of the child from the home and to reunify the family including:

(i) the specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (2), and the time period during which the actions are to be taken; and

(ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to achieve a safe and stable home for the child including social and other supportive services to be provided or offered to the parent or parents or guardian of the child, the child, and the residential facility during the period the child is in the residential facility;

(4) a description of any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of the child's placement in the residential facility, and whether those services or resources were provided and if not, the basis for the denial of the services or resources;

(5) the visitation plan for the parent or parents or guardian, other relatives as defined in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not placed together in foster care, and whether visitation is consistent with the best interest of the child, during the period the child is in foster care;

(6) when a child cannot return to or be in the care of either parent, documentation of steps to finalize adoption as the permanency plan for the child through reasonable efforts to place the child for adoption pursuant to section 260C.605. At a minimum, the documentation must include consideration of whether adoption is in the best interests of the child~~,~~ and child-specific recruitment efforts such as a relative search, consideration of relatives for adoptive placement, and the use of state, regional, and national adoption exchanges to facilitate orderly and timely placements in and outside of the state. A copy of this documentation shall be provided to the court in the review required under section 260C.317, subdivision 3, paragraph (b);

(7) when a child cannot return to or be in the care of either parent, documentation of steps to finalize the transfer of permanent legal and physical custody to a relative as the permanency plan for the child. This documentation must support the requirements of the kinship placement agreement under section 256N.22 and must include the reasonable efforts used to determine that it is not appropriate for the child to return home or be adopted, and reasons why permanent placement with a relative through a Northstar kinship assistance arrangement is in the child's best interest; how the child meets the eligibility requirements for Northstar kinship assistance payments; agency efforts to discuss adoption with the child's relative foster parent and reasons why the relative foster parent chose not to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or parents the permanent transfer of permanent legal and physical custody or the reasons why these efforts were not made;

(8) efforts to ensure the child's educational stability while in foster care for a child who attained the minimum age for compulsory school attendance under state law and is enrolled full time in elementary or secondary school, or instructed in elementary or secondary education at home, or instructed in an independent study elementary or secondary program, or incapable of attending school on a full-time basis due to a medical condition that is documented and supported by regularly updated information in the child's case plan. Educational stability efforts include:

(i) efforts to ensure that the child remains in the same school in which the child was enrolled prior to placement or upon the child's move from one placement to another, including efforts to work with the local education authorities to ensure the child's educational stability and attendance; or

(ii) if it is not in the child's best interest to remain in the same school that the child was enrolled in prior to placement or move from one placement to another, efforts to ensure immediate and appropriate enrollment for the child in a new school;

(9) the educational records of the child including the most recent information available regarding:

(i) the names and addresses of the child's educational providers;

(ii) the child's grade level performance;

(iii) the child's school record;

(iv) a statement about how the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement; and

(v) any other relevant educational information;

(10) the efforts by the responsible social services agency to ensure the oversight and continuity of health care services for the foster child, including:

(i) the plan to schedule the child's initial health screens;

(ii) how the child's known medical problems and identified needs from the screens, including any known communicable diseases, as defined in section 144.4172, subdivision 2, shall be monitored and treated while the child is in foster care;

(iii) how the child's medical information shall be updated and shared, including the child's immunizations;

(iv) who is responsible to coordinate and respond to the child's health care needs, including the role of the parent, the agency, and the foster parent;

(v) who is responsible for oversight of the child's prescription medications;

(vi) how physicians or other appropriate medical and nonmedical professionals shall be consulted and involved in assessing the health and well-being of the child and determine the appropriate medical treatment for the child; and

(vii) the responsibility to ensure that the child has access to medical care through either medical insurance or medical assistance;

(11) the health records of the child including information available regarding:

(i) the names and addresses of the child's health care and dental care providers;

(ii) a record of the child's immunizations;

(iii) the child's known medical problems, including any known communicable diseases as defined in section 144.4172, subdivision 2;

(iv) the child's medications; and

(v) any other relevant health care information such as the child's eligibility for medical insurance or medical assistance;

(12) an independent living plan for a child 14 years of age or older, developed in consultation with the child. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards in subdivision 14. The plan should include, but not be limited to, the following objectives:

(i) educational, vocational, or employment planning;

(ii) health care planning and medical coverage;

(iii) transportation including, where appropriate, assisting the child in obtaining a driver's license;

(iv) money management, including the responsibility of the responsible social services agency to ensure that the child annually receives, at no cost to the child, a consumer report as defined under section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

(v) planning for housing;

(vi) social and recreational skills;

(vii) establishing and maintaining connections with the child's family and community; and

(viii) regular opportunities to engage in age-appropriate or developmentally appropriate activities typical for the child's age group, taking into consideration the capacities of the individual child;

(13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic and assessment information, specific services relating to meeting the mental health care needs of the child, and treatment outcomes;

(14) for a child 14 years of age or older, a signed acknowledgment that describes the child's rights regarding education, health care, visitation, safety and protection from exploitation, and court participation; receipt of the documents identified in section 260C.452; and receipt of an annual credit report. The acknowledgment shall state that the rights were explained in an age-appropriate manner to the child; and

(15) for a child placed in a qualified residential treatment program, the plan must include the requirements in section 260C.708.

(d) The parent or parents or guardian and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social services agency in preparation of the case plan.

(e) After the plan has been agreed upon by the parties involved or approved or ordered by the court, the foster parents shall be fully informed of the provisions of the case plan and shall be provided a copy of the plan.

(f) Upon the child's discharge from foster care, the responsible social services agency must provide the child's parent, adoptive parent, or permanent legal and physical custodian, and the child, if the child is 14 years of age or older, with a current copy of the child's health and education record. If a child meets the conditions in subdivision 15, paragraph (b), the agency must also provide the child with the child's social and medical history. The responsible social services agency may give a copy of the child's health and education record and social and medical history to a child who is younger than 14 years of age, if it is appropriate and if subdivision 15, paragraph (b), applies.

Sec. 17. Minnesota Statutes 2021 Supplement, section 260C.212, subdivision 2, is amended to read:

Subd. 2. **Placement decisions based on best interests of the child.** (a) The policy of the state of Minnesota is to ensure that the child's best interests are met by requiring an individualized determination of the needs of the child in consideration of paragraphs (a) to (f), and of how the selected placement will serve the current and future needs of the child being placed. The authorized child-placing agency shall place a child, released by court order or by voluntary release by the parent or parents, in a family foster home selected by considering placement with relatives ~~and important friends~~ in the following order:

(1) with an individual who is related to the child by blood, marriage, or adoption, including the legal parent, guardian, or custodian of the child's ~~siblings~~ sibling; or

(2) with an individual who is an important friend of the child or of the child's parent or custodian, including an individual with whom the child has resided or had significant contact or who has a significant relationship to the child or the child's parent or custodian.

~~(2) with an individual who is an important friend with whom the child has resided or had significant contact.~~

For an Indian child, the agency shall follow the order of placement preferences in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1915.

(b) Among the factors the agency shall consider in determining the current and future needs of the child are the following:

(1) the child's current functioning and behaviors;

(2) the medical needs of the child;

(3) the educational needs of the child;

(4) the developmental needs of the child;

(5) the child's history and past experience;

(6) the child's religious and cultural needs;

(7) the child's connection with a community, school, and faith community;

(8) the child's interests and talents;

(9) the child's ~~relationship to current caretakers,~~ current and long-term needs regarding relationships with parents, siblings, ~~and~~ relatives, and other caretakers;

(10) the reasonable preference of the child, if the court, or the child-placing agency in the case of a voluntary placement, deems the child to be of sufficient age to express preferences; and

(11) for an Indian child, the best interests of an Indian child as defined in section 260.755, subdivision 2a.

When placing a child in foster care or in a permanent placement based on an individualized determination of the child's needs, the agency must not use one factor in this paragraph to the exclusion of all others, and the agency shall consider that the factors in paragraph (b) may be interrelated.

(c) Placement of a child cannot be delayed or denied based on race, color, or national origin of the foster parent or the child.

(d) Siblings should be placed together for foster care and adoption at the earliest possible time unless it is documented that a joint placement would be contrary to the safety or well-being of any of the siblings or unless it is not possible after reasonable efforts by the responsible social services agency. In cases where siblings cannot be placed together, the agency is required to provide frequent visitation or other ongoing interaction between siblings unless the agency documents that the interaction would be contrary to the safety or well-being of any of the siblings.

(e) Except for emergency placement as provided for in section 245A.035, the following requirements must be satisfied before the approval of a foster or adoptive placement in a related or unrelated home: (1) a completed background study under section 245C.08; and (2) a completed review of the written home study required under section 260C.215, subdivision 4, clause (5), or 260C.611, to assess the capacity of the prospective foster or adoptive parent to ensure the placement will meet the needs of the individual child.

(f) The agency must determine whether colocation with a parent who is receiving services in a licensed residential family-based substance use disorder treatment program is in the child's best interests according to paragraph (b) and include that determination in the child's case plan under subdivision 1. The agency may consider additional factors not identified in paragraph (b). The agency's determination must be documented in the child's case plan before the child is colocated with a parent.

(g) The agency must establish a juvenile treatment screening team under section 260C.157 to determine whether it is necessary and appropriate to recommend placing a child in a qualified residential treatment program, as defined in section 260C.007, subdivision 26d.

Sec. 18. Minnesota Statutes 2020, section 260C.221, is amended to read:

260C.221 RELATIVE SEARCH AND ENGAGEMENT; PLACEMENT CONSIDERATION.

Subdivision 1. **Relative search requirements.** (a) The responsible social services agency shall exercise due diligence to identify and notify adult relatives and current caregivers of a child's sibling, prior to placement or within 30 days after the child's removal from the parent, regardless of whether a child is placed in a relative's home, as required under subdivision 2. ~~The county agency shall consider placement with a relative under this section without delay and whenever the child must move from or be returned to foster care.~~ The relative search required by this section shall be comprehensive in scope. ~~After a finding that the agency has made reasonable efforts to conduct the relative search under this paragraph, the agency has the continuing responsibility to appropriately involve relatives, who have responded to the notice required under this paragraph, in planning for the child and to continue to consider relatives according to the requirements of section 260C.212, subdivision 2. At any time during the course of juvenile protection proceedings, the court may order the agency to reopen its search for relatives when it is in the child's best interest to do so.~~

(b) The relative search required by this section shall include both maternal and paternal adult relatives of the child; all adult grandparents; all legal parents, guardians, or custodians of the child's siblings; and any other adult relatives suggested by the child's parents, subject to the exceptions due to family violence in subdivision 5, paragraph ~~(c)~~ (b). The search shall also include getting information from the child in an age-appropriate manner about who the child considers to be family members and important friends with whom the child has resided or had significant contact. The relative search required under this section must fulfill the agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the breakup of the Indian family under United States Code, title 25, section 1912(d), and to meet placement preferences under United States Code, title 25, section 1915.

(c) The responsible social services agency has a continuing responsibility to search for and identify relatives of a child and send the notice to relatives that is required under subdivision 2, unless the court has relieved the agency of this duty under subdivision 5, paragraph (e).

Subd. 2. **Relative notice requirements.** (a) The agency may provide oral or written notice to a child's relatives. In the child's case record, the agency must document providing the required notice to each of the child's relatives. The responsible social services agency must notify relatives ~~must be notified~~:

(1) of the need for a foster home for the child, the option to become a placement resource for the child, the order of placement that the agency will consider under section 260C.212, subdivision 2, paragraph (a), and the possibility of the need for a permanent placement for the child;

(2) of their responsibility to keep the responsible social services agency and the court informed of their current address in order to receive notice in the event that a permanent placement is sought for the child and to receive notice of the permanency progress review hearing under section 260C.204. A relative who fails to provide a current address to the responsible social services agency and the court forfeits the right to receive notice of the possibility of permanent placement and of the permanency progress review hearing under section 260C.204, until the relative provides a current address to the responsible social services agency and the court. A decision by a relative not to be identified as a potential permanent placement resource or participate in planning for the child ~~at the beginning of the case~~ shall not affect whether the relative is considered for placement of, or as a permanency resource for, the child with that relative ~~later~~ at any time in the case, and shall not be the sole basis for the court to rule out the relative as the child's placement or permanency resource;

(3) that the relative may participate in the care and planning for the child, as specified in subdivision 3, including that the opportunity for such participation may be lost by failing to respond to the notice sent under this subdivision~~.~~ ~~"Participate in the care and planning" includes, but is not limited to, participation in case planning for the parent and child, identifying the strengths and needs of the parent and child, supervising visits, providing respite and vacation visits for the child, providing transportation to appointments, suggesting other relatives who might be able to help support the case plan, and to the extent possible, helping to maintain the child's familiar and regular activities and contact with friends and relatives~~;

(4) of the family foster care licensing and adoption home study requirements, including how to complete an application and how to request a variance from licensing standards that do not present a safety or health risk to the child in the home under section 245A.04 and supports that are available for relatives and children who reside in a family foster home; ~~and~~

(5) of the relatives' right to ask to be notified of any court proceedings regarding the child, to attend the hearings, and of a relative's right ~~or opportunity~~ to be heard by the court as required under section 260C.152, subdivision 5~~.~~;

(6) that regardless of the relative's response to the notice sent under this subdivision, the agency is required to establish permanency for a child, including planning for alternative permanency options if the agency's reunification efforts fail or are not required; and

(7) that by responding to the notice, a relative may receive information about participating in a child's family and permanency team if the child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d.

(b) The responsible social services agency shall send the notice required under paragraph (a) to relatives who become known to the responsible social services agency, except for relatives that the agency does not contact due to safety reasons under subdivision 5, paragraph (b). The responsible social services agency shall continue to send notice to relatives notwithstanding a court's finding that the agency has made reasonable efforts to conduct a relative search.

(c) The responsible social services agency is not required to send the notice under paragraph (a) to a relative who becomes known to the agency after an adoption placement agreement has been fully executed under section 260C.613, subdivision 1. If the relative wishes to be considered for adoptive placement of the child, the agency shall inform the relative of the relative's ability to file a motion for an order for adoptive placement under section 260C.607, subdivision 6.

Subd. 3. **Relative engagement requirements.** (a) A relative who responds to the notice under subdivision 2 has the opportunity to participate in care and planning for a child, which must not be limited based solely on the relative's prior inconsistent participation or nonparticipation in care and planning for the child. Care and planning for a child may include but is not limited to:

(1) participating in case planning for the child and child's parent, including identifying services and resources that meet the individualized needs of the child and child's parent. A relative's participation in case planning may be in person, via phone call, or by electronic means;

(2) identifying the strengths and needs of the child and child's parent;

(3) asking the responsible social services agency to consider the relative for placement of the child according to subdivision 4;

(4) acting as a support person for the child, the child's parents, and the child's current caregiver;

(5) supervising visits;

(6) providing respite care for the child and having vacation visits with the child;

(7) providing transportation;

(8) suggesting other relatives who may be able to participate in the case plan or that the agency may consider for placement of the child. The agency shall send a notice to each relative identified by other relatives according to subdivision 2, paragraph (b), unless a relative received this notice earlier in the case;

(9) helping to maintain the child's familiar and regular activities and contact with the child's friends and relatives, including providing supervision of the child at family gatherings and events; and

(10) participating in the child's family and permanency team if the child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d.

(b) The responsible social services agency shall make reasonable efforts to contact and engage relatives who respond to the notice required under this section. Upon a request by a relative or party to the proceeding, the court may conduct a review of the agency's reasonable efforts to contact and engage relatives who respond to the notice. If the court finds that the agency did not make reasonable efforts to contact and engage relatives who respond to the notice, the court may order the agency to make reasonable efforts to contact and engage relatives who respond to the notice in care and planning for the child.

Subd. 4. **Placement considerations.** (a) The responsible social services agency shall consider placing a child with a relative under this section without delay and when the child:

(1) enters foster care;

(2) must be moved from the child's current foster setting;

(3) must be permanently placed away from the child's parent; or

(4) returns to foster care after permanency has been achieved for the child.

(b) The agency shall consider placing a child with relatives:

(1) in the order specified in section 260C.212, subdivision 2, paragraph (a); and

(2) based on the child's best interests using the factors in section 260C.212, subdivision 2.

(c) The agency shall document how the agency considered relatives in the child's case record.

(d) Any relative who requests to be a placement option for a child in foster care has the right to be considered for placement of the child according to section 260C.212, subdivision 2, paragraph (a), unless the court finds that placing the child with a specific relative would endanger the child, sibling, parent, guardian, or any other family member under subdivision 5, paragraph (b).

(e) When adoption is the responsible social services agency's permanency goal for the child, the agency shall consider adoptive placement of the child with a relative in the order specified under section 260C.212, subdivision 2, paragraph (a).

Subd. 5. **Data disclosure; court review.** ~~(c)~~ (a) A responsible social services agency may disclose private data, as defined in section 13.02 and chapter 260E, to relatives of the child for the purpose of locating and assessing a suitable placement and may use any reasonable means of identifying and locating relatives including the Internet or other electronic means of conducting a search. The agency shall disclose data that is necessary to facilitate possible placement with relatives and to ensure that the relative is informed of the needs of the child so the relative can participate in planning for the child and be supportive of services to the child and family.

(b) If the child's parent refuses to give the responsible social services agency information sufficient to identify the maternal and paternal relatives of the child, the agency shall ask the juvenile court to order the parent to provide the necessary information and shall use other resources to identify the child's maternal and paternal relatives. If a parent makes an explicit request that a specific relative not be contacted or considered for placement due to safety reasons, including past family or domestic violence, the agency shall bring the parent's request to the attention of the court to determine whether the parent's request is consistent with the best interests of the child ~~and~~. The agency shall not contact the specific relative when the juvenile court finds that contacting or placing the child with the specific relative would endanger the parent, guardian, child, sibling, or any family member. Unless section 260C.139 applies to the child's case, a court shall not waive or relieve the responsible social services agency of reasonable efforts to:

(1) conduct a relative search;

(2) notify relatives;

(3) contact and engage relatives in case planning; and

(4) consider relatives for placement of the child.

(c) Notwithstanding chapter 13, the agency shall disclose data to the court about particular relatives that the agency has identified, contacted, or considered for the child's placement for the court to review the agency's due diligence.

(d) At a regularly scheduled hearing not later than three months after the child's placement in foster care and as required in ~~section~~ sections 260C.193 and 260C.202, the agency shall report to the court:

(1) ~~its~~ the agency's efforts to identify maternal and paternal relatives of the child and to engage the relatives in providing support for the child and family, and document that the relatives have been provided the notice required under ~~paragraph (a)~~ subdivision 2; and

(2) ~~its~~ the agency's decision regarding placing the child with a relative as required under section 260C.212, subdivision 2~~, and to ask~~. If the responsible social services agency decides that relative placement is not in the child's best interests at the time of the hearing, the agency shall inform the court of the agency's decision, including:

(i) why the agency decided against relative placement of the child; and

(ii) the agency's efforts to engage relatives ~~to visit or maintain contact with the child in order~~ as required under subdivision 3 to support family connections for the child~~, when placement with a relative is not possible or appropriate~~.

~~(e) Notwithstanding chapter 13, the agency shall disclose data about particular relatives identified, searched for, and contacted for the purposes of the court's review of the agency's due diligence.~~

~~(f)~~ (e) When the court is satisfied that the agency has exercised due diligence to identify relatives and provide the notice required in ~~paragraph (a)~~ subdivision 2, the court may find that the agency made reasonable efforts ~~have been made~~ to conduct a relative search to identify and provide notice to adult relatives as required under section 260.012, paragraph (e), clause (3). A finding under this paragraph does not relieve the responsible social services agency of the ongoing duty to contact, engage, and consider relatives under this section nor is it a basis for the court to rule out any relative from being a foster care or permanent placement option for the child. The agency has the continuing responsibility to:

(1) involve relatives who respond to the notice in planning for the child; and

(2) continue considering relatives for the child's placement while taking the child's short- and long-term permanency goals into consideration, according to the requirements of section 260C.212, subdivision 2.

(f) At any time during the course of juvenile protection proceedings, the court may order the agency to reopen the search for relatives when it is in the child's best interests.

(g) If the court is not satisfied that the agency has exercised due diligence to identify relatives and provide the notice required in ~~paragraph (a)~~ subdivision 2, the court may order the agency to continue its search and notice efforts and to report back to the court.

~~(g) When the placing agency determines that permanent placement proceedings are necessary because there is a likelihood that the child will not return to a parent's care, the agency must send the notice provided in paragraph (h), may ask the court to modify the duty of the agency to send the notice required in paragraph (h), or may ask the court to completely relieve the agency of the requirements of paragraph (h). The relative notification requirements of paragraph (h) do not apply when the child is placed with an appropriate relative or a foster home that has committed to adopting the child or taking permanent legal and physical custody of the child and the agency approves of that foster home for permanent placement of the child. The actions ordered by the court under this section must be consistent with the best interests, safety, permanency, and welfare of the child.~~

(h) ~~Unless required under the Indian Child Welfare Act or relieved of this duty by the court under paragraph (f),~~ When the agency determines that it is necessary to prepare for permanent placement determination proceedings, or in anticipation of filing a termination of parental rights petition, the agency shall send notice to ~~the~~ relatives who responded to a notice under this section sent at any time during the case, any adult with whom the child is currently

residing, any adult with whom the child has resided for one year or longer in the past, and any adults who have maintained a relationship or exercised visitation with the child as identified in the agency case plan. The notice must state that a permanent home is sought for the child and that the individuals receiving the notice may indicate to the agency their interest in providing a permanent home. The notice must state that within 30 days of receipt of the notice an individual receiving the notice must indicate to the agency the individual's interest in providing a permanent home for the child or that the individual may lose the opportunity to be considered for a permanent placement. A relative's failure to respond or timely respond to the notice is not a basis for ruling out the relative from being a permanent placement option for the child, should the relative request to be considered for permanent placement at a later date.

Sec. 19. Minnesota Statutes 2020, section 260C.513, is amended to read:

260C.513 PERMANENCY DISPOSITIONS WHEN CHILD CANNOT RETURN HOME.

(a) ~~Termination of parental rights and adoption, or guardianship to the commissioner of human services through a consent to adopt, are preferred permanency options for a child who cannot return home. If the court finds that termination of parental rights and guardianship to the commissioner is not in the child's best interests, the court may transfer permanent legal and physical custody of the child to a relative when that order is in the child's best interests.~~ In determining a permanency disposition under section 260C.515 for a child who cannot return home, the court shall give preference to a permanency disposition that will result in the child being placed in the permanent care of a relative through a termination of parental rights and adoption, guardianship to the commissioner of human services through a consent to adopt, or a transfer of permanent legal and physical custody, consistent with the best interests of the child and section 260C.212, subdivision 2, paragraph (a). If a relative is not available to accept placement or the court finds that a permanent placement with a relative is not in the child's best interests, the court may consider a permanency disposition that may result in the child being permanently placed in the care of a nonrelative caregiver, including adoption.

(b) When the court has determined that permanent placement of the child away from the parent is necessary, the court shall consider permanent alternative homes that are available both inside and outside the state.

Sec. 20. Minnesota Statutes 2021 Supplement, section 260C.605, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Reasonable efforts to finalize the adoption of a child under the guardianship of the commissioner shall be made by the responsible social services agency responsible for permanency planning for the child.

(b) Reasonable efforts to make a placement in a home according to the placement considerations under section 260C.212, subdivision 2, with a relative or foster parent who will commit to being the permanent resource for the child in the event the child cannot be reunified with a parent are required under section 260.012 and may be made concurrently with reasonable, or if the child is an Indian child, active efforts to reunify the child with the parent.

(c) Reasonable efforts under paragraph (b) must begin as soon as possible when the child is in foster care under this chapter, but not later than the hearing required under section 260C.204.

(d) Reasonable efforts to finalize the adoption of the child include:

(1) considering the child's preference for an adoptive family;

~~(1)~~ (2) using age-appropriate engagement strategies to plan for adoption with the child;

~~(2)~~ (3) identifying an appropriate prospective adoptive parent for the child by updating the child's identified needs using the factors in section 260C.212, subdivision 2;

~~(3)~~ (4) making an adoptive placement that meets the child's needs by:

(i) completing or updating the relative search required under section 260C.221 and giving notice of the need for an adoptive home for the child to:

(A) relatives who have kept the agency or the court apprised of their whereabouts ~~and who have indicated an interest in adopting the child~~; or

(B) relatives of the child who are located in an updated search;

(ii) an updated search is required whenever:

(A) there is no identified prospective adoptive placement for the child notwithstanding a finding by the court that the agency made diligent efforts under section 260C.221, in a hearing required under section 260C.202;

(B) the child is removed from the home of an adopting parent; or

(C) the court determines that a relative search by the agency is in the best interests of the child;

(iii) engaging the child's relatives or current or former foster ~~parent and the child's relatives identified as an adoptive resource during the search conducted under section 260C.221,~~ parents to commit to being the prospective adoptive parent of the child, and considering the child's relatives for adoptive placement of the child in the order specified under section 260C.212, subdivision 2, paragraph (a); or

(iv) when there is no identified prospective adoptive parent:

(A) registering the child on the state adoption exchange as required in section 259.75 unless the agency documents to the court an exception to placing the child on the state adoption exchange reported to the commissioner;

(B) reviewing all families with approved adoption home studies associated with the responsible social services agency;

(C) presenting the child to adoption agencies and adoption personnel who may assist with finding an adoptive home for the child;

(D) using newspapers and other media to promote the particular child;

(E) using a private agency under grant contract with the commissioner to provide adoption services for intensive child-specific recruitment efforts; and

(F) making any other efforts or using any other resources reasonably calculated to identify a prospective adoption parent for the child;

~~(4)~~ (5) updating and completing the social and medical history required under sections 260C.212, subdivision 15, and 260C.609;

~~(5)~~ (6) making, and keeping updated, appropriate referrals required by section 260.851, the Interstate Compact on the Placement of Children;

~~(6)~~ (7) giving notice regarding the responsibilities of an adoptive parent to any prospective adoptive parent as required under section 259.35;

~~(7)~~ (8) offering the adopting parent the opportunity to apply for or decline adoption assistance under chapter 256N;

~~(8)~~ (9) certifying the child for adoption assistance, assessing the amount of adoption assistance, and ascertaining the status of the commissioner's decision on the level of payment if the adopting parent has applied for adoption assistance;

~~(9)~~ (10) placing the child with siblings. If the child is not placed with siblings, the agency must document reasonable efforts to place the siblings together, as well as the reason for separation. The agency may not cease reasonable efforts to place siblings together for final adoption until the court finds further reasonable efforts would be futile or that placement together for purposes of adoption is not in the best interests of one of the siblings; and

~~(10)~~ (11) working with the adopting parent to file a petition to adopt the child and with the court administrator to obtain a timely hearing to finalize the adoption.

Sec. 21. Minnesota Statutes 2020, section 260C.607, subdivision 2, is amended to read:

Subd. 2. **Notice.** Notice of review hearings shall be given by the court to:

(1) the responsible social services agency;

(2) the child, if the child is age ten and older;

(3) the child's guardian ad litem;

(4) counsel appointed for the child pursuant to section 260C.163, subdivision 3;

(5) relatives of the child who have kept the court informed of their whereabouts as required in section 260C.221 and who have responded to the agency's notice under section 260C.221, ~~indicating a willingness to provide an adoptive home for the child~~ unless the relative has been previously ruled out by the court as a suitable ~~foster parent or~~ permanency resource for the child;

(6) the current foster or adopting parent of the child;

(7) any foster or adopting parents of siblings of the child; and

(8) the Indian child's tribe.

Sec. 22. Minnesota Statutes 2020, section 260C.607, subdivision 5, is amended to read:

Subd. 5. **Required placement by responsible social services agency.** (a) No petition for adoption shall be filed for a child under the guardianship of the commissioner unless the child sought to be adopted has been placed for adoption with the adopting parent by the responsible social services agency as required under section 260C.613, subdivision 1. The court may order the agency to make an adoptive placement using standards and procedures under subdivision 6.

(b) Any relative or the child's foster parent who believes the responsible agency has not reasonably considered the relative's or foster parent's request to be considered for adoptive placement as required under section 260C.212, subdivision 2, and who wants to be considered for adoptive placement of the child shall bring a request for consideration to the attention of the court during a review required under this section. The child's guardian ad litem and the child may also bring a request for a relative or the child's foster parent to be considered for adoptive placement. After hearing from the agency, the court may order the agency to take appropriate action regarding the relative's or foster parent's request for consideration under section 260C.212, subdivision 2, paragraph (b).

Sec. 23. Minnesota Statutes 2021 Supplement, section 260C.607, subdivision 6, is amended to read:

Subd. 6. **Motion and hearing to order adoptive placement.** (a) At any time after the district court orders the child under the guardianship of the commissioner of human services, but not later than 30 days after receiving notice required under section 260C.613, subdivision 1, paragraph (c), that the agency has made an adoptive placement, a relative or the child's foster parent may file a motion for an order for adoptive placement of a child who is under the guardianship of the commissioner if the relative or the child's foster parent:

(1) has an adoption home study under section 259.41 approving the relative or foster parent for adoption ~~and has~~. If the relative or foster parent does not have an adoption home study, an affidavit attesting to efforts to complete an adoption home study may be filed with the motion instead. The affidavit must be signed by the relative or foster parent and the responsible social services agency or licensed child-placing agency completing the adoption home study. The relative or foster parent must also have been a resident of Minnesota for at least six months before filing the motion; the court may waive the residency requirement for the moving party if there is a reasonable basis to do so; or

(2) is not a resident of Minnesota, but has an approved adoption home study by an agency licensed or approved to complete an adoption home study in the state of the individual's residence and the study is filed with the motion for adoptive placement. If the relative or foster parent does not have an adoption home study in the relative's or foster parent's state of residence, an affidavit attesting to efforts to complete an adoption home study may be filed with the motion instead. The affidavit must be signed by the relative or foster parent and the agency completing the adoption home study.

(b) The motion shall be filed with the court conducting reviews of the child's progress toward adoption under this section. The motion and supporting documents must make a prima facie showing that the agency has been unreasonable in failing to make the requested adoptive placement. The motion must be served according to the requirements for motions under the Minnesota Rules of Juvenile Protection Procedure and shall be made on all individuals and entities listed in subdivision 2.

(c) If the motion and supporting documents do not make a prima facie showing for the court to determine whether the agency has been unreasonable in failing to make the requested adoptive placement, the court shall dismiss the motion. If the court determines a prima facie basis is made, the court shall set the matter for evidentiary hearing.

(d) At the evidentiary hearing, the responsible social services agency shall proceed first with evidence about the reason for not making the adoptive placement proposed by the moving party. When the agency presents evidence regarding the child's current relationship with the identified adoptive placement resource, the court must consider the agency's efforts to support the child's relationship with the moving party consistent with section 260C.221. The moving party then has the burden of proving by a preponderance of the evidence that the agency has been unreasonable in failing to make the adoptive placement.

(e) The court shall review and enter findings regarding whether, in making an adoptive placement decision for the child, the agency:

(1) considered relatives for adoptive placement in the order specified under section 260C.212, subdivision 2, paragraph (a); and

(2) assessed how the identified adoptive placement resource and the moving party are each able to meet the child's current and future needs based on an individualized determination of the child's needs, as required under sections 260C.612, subdivision 2, and 260C.613, subdivision 1, paragraph (b).

~~(e)~~ (f) At the conclusion of the evidentiary hearing, if the court finds that the agency has been unreasonable in failing to make the adoptive placement and that the ~~relative or the child's foster parent~~ moving party is the most suitable adoptive home to meet the child's needs using the factors in section 260C.212, subdivision 2, paragraph (b), the court may:

(1) order the responsible social services agency to make an adoptive placement in the home of the ~~relative or the child's foster parent.~~ moving party if the moving party has an approved adoption home study; or

(2) order the responsible social services agency to place the child in the home of the moving party upon approval of an adoption home study. The agency must promote and support the child's ongoing visitation and contact with the moving party until the child is placed in the moving party's home. The agency must provide an update to the court after 90 days, including progress and any barriers encountered. If the moving party does not have an approved adoption home study within 180 days, the moving party and the agency must inform the court of any barriers to obtaining the approved adoption home study during a review hearing under this section. If the court finds that the moving party is unable to obtain an approved adoption home study, the court must dismiss the order for adoptive placement under this subdivision and order the agency to continue making reasonable efforts to finalize the adoption of the child as required under section 260C.605.

~~(f)~~ (g) If, in order to ensure that a timely adoption may occur, the court orders the responsible social services agency to make an adoptive placement under this subdivision, the agency shall:

(1) make reasonable efforts to obtain a fully executed adoption placement agreement, including assisting the moving party with the adoption home study process;

(2) work with the moving party regarding eligibility for adoption assistance as required under chapter 256N; and

(3) if the moving party is not a resident of Minnesota, timely refer the matter for approval of the adoptive placement through the Interstate Compact on the Placement of Children.

~~(g)~~ (h) Denial or granting of a motion for an order for adoptive placement after an evidentiary hearing is an order which may be appealed by the responsible social services agency, the moving party, the child, when age ten or over, the child's guardian ad litem, and any individual who had a fully executed adoption placement agreement regarding the child at the time the motion was filed if the court's order has the effect of terminating the adoption placement agreement. An appeal shall be conducted according to the requirements of the Rules of Juvenile Protection Procedure.

Sec. 24. Minnesota Statutes 2020, section 260C.613, subdivision 1, is amended to read:

Subdivision 1. **Adoptive placement decisions.** (a) The responsible social services agency has exclusive authority to make an adoptive placement of a child under the guardianship of the commissioner. The child shall be considered placed for adoption when the adopting parent, the agency, and the commissioner have fully executed an adoption placement agreement on the form prescribed by the commissioner.

(b) The responsible social services agency shall use an individualized determination of the child's current and future needs, pursuant to section 260C.212, subdivision 2, paragraph (b), to determine the most suitable adopting parent for the child in the child's best interests. The responsible social services agency must consider adoptive placement of the child with relatives in the order specified in section 260C.212, subdivision 2, paragraph (a).

(c) The responsible social services agency shall notify the court and parties entitled to notice under section 260C.607, subdivision 2, when there is a fully executed adoption placement agreement for the child.

(d) In the event an adoption placement agreement terminates, the responsible social services agency shall notify the court, the parties entitled to notice under section 260C.607, subdivision 2, and the commissioner that the agreement and the adoptive placement have terminated.

Sec. 25. Minnesota Statutes 2020, section 260C.613, subdivision 5, is amended to read:

Subd. 5. **Required record keeping.** The responsible social services agency shall document, in the records required to be kept under section 259.79, the reasons for the adoptive placement decision regarding the child, including the individualized determination of the child's needs based on the factors in section 260C.212, subdivision 2, paragraph (b)~~,~~; the agency's consideration of relatives in the order specified in section 260C.212, subdivision 2, paragraph (a); and the assessment of how the selected adoptive placement meets the identified needs of the child. The responsible social services agency shall retain in the records required to be kept under section 259.79, copies of all out-of-home placement plans made since the child was ordered under guardianship of the commissioner and all court orders from reviews conducted pursuant to section 260C.607.

Sec. 26. Minnesota Statutes 2021 Supplement, section 260E.20, subdivision 2, is amended to read:

Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare agency shall conduct a face-to-face contact with the child reported to be maltreated and with the child's primary caregiver sufficient to complete a safety assessment and ensure the immediate safety of the child. If the report alleges substantial child endangerment or sexual abuse, the local welfare agency or agency responsible for assessing or investigating the report is not required to provide notice before conducting the initial face-to-face contact with the child and the child's primary caregiver.

(b) The face-to-face contact with the child and primary caregiver shall occur immediately if sexual abuse or substantial child endangerment is alleged and within five calendar days for all other reports. If the alleged offender was not already interviewed as the primary caregiver, the local welfare agency shall also conduct a face-to-face interview with the alleged offender in the early stages of the assessment or investigation. Face-to-face contact with the child and primary caregiver in response to a report alleging sexual abuse or substantial child endangerment may be postponed for no more than five calendar days if the child is residing in a location that is confirmed to restrict contact with the alleged offender as established in guidelines issued by the commissioner, or if the local welfare agency is pursuing a court order for the child's caregiver to produce the child for questioning under section 260E.22, subdivision 5.

(c) At the initial contact with the alleged offender, the local welfare agency or the agency responsible for assessing or investigating the report must inform the alleged offender of the complaints or allegations made against the individual in a manner consistent with laws protecting the rights of the person who made the report. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation.

(d) The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement. The alleged offender may submit supporting documentation relevant to the assessment or investigation.

Sec. 27. Minnesota Statutes 2020, section 260E.22, subdivision 2, is amended to read:

Subd. 2. **Child interview procedure.** (a) The interview may take place at school or at any facility or other place where the alleged victim or other children might be found or the child may be transported to, and the interview may be conducted at a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency.

(b) When appropriate, the interview ~~may~~ must take place outside the presence of the alleged offender or parent, legal custodian, guardian, or school official~~.~~ and may take place prior to any interviews of the alleged offender or parent, legal custodian, guardian, foster parent, or school official.

~~(c) For a family assessment, it is the preferred practice to request a parent or guardian's permission to interview the child before conducting the child interview, unless doing so would compromise the safety assessment.~~

Sec. 28. Minnesota Statutes 2020, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment.** After conducting a family assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment. The local welfare agency must document the information collected under section 260E.20, subdivision 3, related to the completed family assessment in the child's or family's case notes.

Sec. 29. Minnesota Statutes 2020, section 260E.34, is amended to read:

260E.34 IMMUNITY.

(a) The following persons, including persons under the age of 18, are immune from any civil or criminal liability that otherwise might result from the person's actions if the person is acting in good faith:

(1) a person making a voluntary or mandated report under this chapter or assisting in an assessment under this chapter;

(2) a person with responsibility for performing duties under this section or supervisor employed by a local welfare agency, the commissioner of an agency responsible for operating or supervising a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed or certified under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 245B or 245H; or a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a, complying with sections 260E.23, subdivisions 2 and 3, and 260E.30; and

(3) a public or private school, facility as defined in section 260E.03, or the employee of any public or private school or facility who permits access by a local welfare agency, the Department of Education, or a local law enforcement agency and assists in an investigation or assessment pursuant to this chapter.

(b) A person who is a supervisor or person with responsibility for performing duties under this chapter employed by a local welfare agency, the commissioner of human services, or the commissioner of education complying with this chapter or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions if the person is (1) acting in good faith and exercising due care, or (2) acting in good faith and following the information collection procedures established under section 260E.20, subdivision 3.

(c) Any physician or other medical personnel administering a toxicology test under section 260E.32 to determine the presence of a controlled substance in a pregnant woman, in a woman within eight hours after delivery, or in a child at birth or during the first month of life is immune from civil or criminal liability arising from administration of the test if the physician ordering the test believes in good faith that the test is required under this section and the test is administered in accordance with an established protocol and reasonable medical practice.

(d) This section does not provide immunity to any person for failure to make a required report or for committing maltreatment.

(e) If a person who makes a voluntary or mandatory report under section 260E.06 prevails in a civil action from which the person has been granted immunity under this section, the court may award the person attorney fees and costs.

Sec. 30. Minnesota Statutes 2020, section 626.557, subdivision 4, is amended to read:

Subd. 4. **Reporting.** (a) Except as provided in paragraph (b), a mandated reporter shall immediately make ~~an oral~~ a report to the common entry point. ~~The common entry point may accept electronic reports submitted through a web-based reporting system established by the commissioner. Use of a telecommunications device for the deaf or other similar device shall be considered an oral report. The common entry point may not require written reports.~~ To the extent possible, the report must be of sufficient content to identify the vulnerable adult, the caregiver, the nature and extent of the suspected maltreatment, any evidence of previous maltreatment, the name and address of the reporter, the time, date, and location of the incident, and any other information that the reporter believes might be helpful in investigating the suspected maltreatment. A mandated reporter may disclose not public data, as defined in section 13.02, and medical records under sections 144.291 to 144.298, to the extent necessary to comply with this subdivision.

(b) A boarding care home that is licensed under sections 144.50 to 144.58 and certified under Title 19 of the Social Security Act, a nursing home that is licensed under section 144A.02 and certified under Title 18 or Title 19 of the Social Security Act, or a hospital that is licensed under sections 144.50 to 144.58 and has swing beds certified under Code of Federal Regulations, title 42, section 482.66, may submit a report electronically to the common entry point instead of submitting an oral report. The report may be a duplicate of the initial report the facility submits electronically to the commissioner of health to comply with the reporting requirements under Code of Federal Regulations, title 42, section 483.12. The commissioner of health may modify these reporting requirements to include items required under paragraph (a) that are not currently included in the electronic reporting form.

Sec. 31. Minnesota Statutes 2020, section 626.557, subdivision 9, is amended to read:

Subd. 9. **Common entry point designation.** (a) ~~Each county board shall designate a common entry point for reports of suspected maltreatment, for use until the commissioner of human services establishes a common entry point. Two or more county boards may jointly designate a single common entry point.~~ The commissioner of human services shall establish a common entry point ~~effective July 1, 2015~~. The common entry point is the unit responsible for receiving the report of suspected maltreatment under this section.

(b) The common entry point must be available 24 hours per day to take calls from reporters of suspected maltreatment. The common entry point shall use a standard intake form that includes:

(1) the time and date of the report;

(2) the name, relationship, and identifying and contact information for the person believed to be a vulnerable adult and the individual or facility alleged responsible for maltreatment;

(3) the name, ~~address, and telephone number of the person reporting;~~ relationship, and contact information for the:

(i) reporter;

(ii) initial reporter, witnesses, and persons who may have knowledge about the maltreatment; and

(iii) legal surrogate and persons who may provide support to the vulnerable adult;

(4) the basis of vulnerability for the vulnerable adult;

~~(3)~~ (5) the time, date, and location of the incident;

~~(4) the names of the persons involved, including but not limited to, perpetrators, alleged victims, and witnesses;~~

~~(5) whether there was a risk of imminent danger to the alleged victim;~~

(6) the immediate safety risk to the vulnerable adult;

~~(6)~~ (7) a description of the suspected maltreatment;

~~(7) the disability, if any, of the alleged victim;~~

~~(8) the relationship of the alleged perpetrator to the alleged victim;~~

(8) the impact of the suspected maltreatment on the vulnerable adult;

(9) whether a facility was involved and, if so, which agency licenses the facility;

~~(10) any action taken by the common entry point;~~

~~(11) whether law enforcement has been notified;~~

(10) the actions taken to protect the vulnerable adult;

(11) the required notifications and referrals made by the common entry point; and

(12) whether the reporter wishes to receive notification of the ~~initial and final reports; and~~ disposition.

~~(13) if the report is from a facility with an internal reporting procedure, the name, mailing address, and telephone number of the person who initiated the report internally.~~

(c) The common entry point is not required to complete each item on the form prior to dispatching the report to the appropriate lead investigative agency.

(d) The common entry point shall immediately report to a law enforcement agency any incident in which there is reason to believe a crime has been committed.

(e) If a report is initially made to a law enforcement agency or a lead investigative agency, those agencies shall take the report on the appropriate common entry point intake forms and immediately forward a copy to the common entry point.

(f) The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section.

(g) The commissioner of human services shall maintain a centralized database for the collection of common entry point data, lead investigative agency data including maltreatment report disposition, and appeals data. The common entry point shall have access to the centralized database and must log the reports into the database ~~and immediately identify and locate prior reports of abuse, neglect, or exploitation~~.

(h) When appropriate, the common entry point staff must refer calls that do not allege the abuse, neglect, or exploitation of a vulnerable adult to other organizations that might resolve the reporter's concerns.

(i) A common entry point must be operated in a manner that enables the commissioner of human services to:

(1) track critical steps in the reporting, evaluation, referral, response, disposition, and investigative process to ensure compliance with all requirements for all reports;

(2) maintain data to facilitate the production of aggregate statistical reports for monitoring patterns of abuse, neglect, or exploitation;

(3) serve as a resource for the evaluation, management, and planning of preventative and remedial services for vulnerable adults who have been subject to abuse, neglect, or exploitation;

(4) set standards, priorities, and policies to maximize the efficiency and effectiveness of the common entry point; and

(5) track and manage consumer complaints related to the common entry point.

(j) The commissioners of human services and health shall collaborate on the creation of a system for referring reports to the lead investigative agencies. This system shall enable the commissioner of human services to track critical steps in the reporting, evaluation, referral, response, disposition, investigation, notification, determination, and appeal processes.

Sec. 32. Minnesota Statutes 2020, section 626.557, subdivision 9b, is amended to read:

Subd. 9b. **Response to reports.** Law enforcement is the primary agency to conduct investigations of any incident in which there is reason to believe a crime has been committed. Law enforcement shall initiate a response immediately. If the common entry point notified a county agency for emergency adult protective services, law enforcement shall cooperate with that county agency when both agencies are involved and shall exchange data to the extent authorized in subdivision 12b, paragraph (g). County adult protection shall initiate a response immediately. Each lead investigative agency shall complete the investigative process for reports within its jurisdiction. A lead investigative agency, county, adult protective agency, licensed facility, or law enforcement agency shall cooperate with other agencies in the provision of protective services, coordinating its investigations, and assisting another agency within the limits of its resources and expertise and shall exchange data to the extent authorized in subdivision 12b, paragraph (g). The lead investigative agency shall obtain the results of any investigation conducted by law enforcement officials. The lead investigative agency has the right to enter facilities and inspect and copy records as part of investigations. The lead investigative agency has access to not public data, as defined in section 13.02, and medical records under sections 144.291 to 144.298, that are maintained by facilities to the extent necessary to conduct its investigation. Each lead investigative agency shall develop guidelines for prioritizing reports for investigation. When a county acts as a lead investigative agency, the county shall make guidelines available to the public regarding which reports the county prioritizes for investigation and adult protective services.

Sec. 33. Minnesota Statutes 2020, section 626.557, subdivision 9c, is amended to read:

Subd. 9c. **Lead investigative agency; notifications, dispositions, determinations.** (a) Upon request of the reporter, the lead investigative agency shall notify the reporter that it has received the report, and provide information on the initial disposition of the report within five business days of receipt of the report, provided that the notification will not endanger the vulnerable adult or hamper the investigation.

(b) In making the initial disposition of a report alleging maltreatment of a vulnerable adult, the lead investigative agency may consider previous reports of suspected maltreatment and may request and consider public information, records maintained by a lead investigative agency or licensed providers, and information from any person who may have knowledge regarding the alleged maltreatment and the basis for the adult's vulnerability.

(c) Unless the lead investigative agency believes that: (1) the information would endanger the well-being of the vulnerable adult; or (2) it would not be in the best interests of the vulnerable adult, the lead investigative agency shall inform the vulnerable adult, or vulnerable adult's guardian or health care agent, if known and when applicable to the authority of the vulnerable adult's guardian or health care agent, of all reports accepted by the agency for investigation, including the maltreatment allegation, investigation guidelines, time frame, and evidence standards

that the agency uses for determinations. If the allegation is applicable to the guardian or health care agent, the lead investigative agency must also inform the vulnerable adult's guardian or health care agent of all reports accepted for investigation by the agency, including the maltreatment allegation, investigation guidelines, time frame, and evidence standards that the agency uses for determinations.

(d) When the county social service agency does not accept a report for adult protective services or investigation, the agency may offer assistance to the reporter or the person who was the subject of the report.

(e) When the county is the lead investigative agency or the agency responsible for adult protective services, the agency may coordinate and share data with the Native American Tribes and case management agencies as allowed under chapter 13 to support a vulnerable adult's health, safety, or comfort or to prevent, stop, or remediate maltreatment. The identity of the reporter shall not be disclosed, except as provided in subdivision 12b.

(f) While investigating reports and providing adult protective services, the lead investigative agency may coordinate with entities identified under subdivision 12b, paragraph (g), and may coordinate with support persons to safeguard the welfare of the vulnerable adult and prevent further maltreatment of the vulnerable adult.

~~(b)~~ (g) Upon conclusion of every investigation it conducts, the lead investigative agency shall make a final disposition as defined in section 626.5572, subdivision 8.

~~(c)~~ (h) When determining whether the facility or individual is the responsible party for substantiated maltreatment or whether both the facility and the individual are responsible for substantiated maltreatment, the lead investigative agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were in accordance with, and followed the terms of, an erroneous physician order, prescription, resident care plan, or directive. This is not a mitigating factor when the facility or caregiver is responsible for the issuance of the erroneous order, prescription, plan, or directive or knows or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) the comparative responsibility between the facility, other caregivers, and requirements placed upon the employee, including but not limited to, the facility's compliance with related regulatory standards and factors such as the adequacy of facility policies and procedures, the adequacy of facility training, the adequacy of an individual's participation in the training, the adequacy of caregiver supervision, the adequacy of facility staffing levels, and a consideration of the scope of the individual employee's authority; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

~~(d)~~ (i) When substantiated maltreatment is determined to have been committed by an individual who is also the facility license holder, both the individual and the facility must be determined responsible for the maltreatment, and both the background study disqualification standards under section 245C.15, subdivision 4, and the licensing actions under section 245A.06 or 245A.07 apply.

~~(e)~~ (j) The lead investigative agency shall complete its final disposition within 60 calendar days. If the lead investigative agency is unable to complete its final disposition within 60 calendar days, the lead investigative agency shall notify the following persons provided that the notification will not endanger the vulnerable adult or hamper the investigation: (1) the vulnerable adult or the vulnerable adult's guardian or health care agent, when known, if the lead investigative agency knows them to be aware of the investigation; and (2) the facility, where applicable. The notice shall contain the reason for the delay and the projected completion date. If the lead investigative agency is unable to complete its final disposition by a subsequent projected completion date, the lead investigative agency shall again notify the vulnerable adult or the vulnerable adult's guardian or health care agent, when known if the lead

investigative agency knows them to be aware of the investigation, and the facility, where applicable, of the reason for the delay and the revised projected completion date provided that the notification will not endanger the vulnerable adult or hamper the investigation. The lead investigative agency must notify the health care agent of the vulnerable adult only if the health care agent's authority to make health care decisions for the vulnerable adult is currently effective under section 145C.06 and not suspended under section 524.5-310 and the investigation relates to a duty assigned to the health care agent by the principal. A lead investigative agency's inability to complete the final disposition within 60 calendar days or by any projected completion date does not invalidate the final disposition.

~~(f) Within ten calendar days of completing the final disposition~~ (k) When the lead investigative agency is the Department of Health or the Department of Human Services, the lead investigative agency shall provide a copy of the public investigation memorandum under subdivision 12b, paragraph (b), clause (1), ~~when required to be completed under this section,~~ within ten calendar days of completing the final disposition to the following persons:

(1) the vulnerable adult, or the vulnerable adult's guardian or health care agent, if known, unless the lead investigative agency knows that the notification would endanger the well-being of the vulnerable adult;

(2) the reporter, if the reporter requested notification when making the report, provided this notification would not endanger the well-being of the vulnerable adult;

(3) the ~~alleged perpetrator~~ person or facility alleged responsible for maltreatment, if known;

(4) the facility; and

(5) the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities, as appropriate.

(l) When the lead investigative agency is a county agency, within ten calendar days of completing the final disposition, the lead investigative agency shall provide notification of the final disposition to the following persons:

(1) the vulnerable adult, or the vulnerable adult's guardian or health care agent, if known, when the allegation is applicable to the authority of the vulnerable adult's guardian or health care agent, unless the agency knows that the notification would endanger the well-being of the vulnerable adult;

(2) the individual determined responsible for maltreatment, if known; and

(3) when the alleged incident involves a personal care assistant or provider agency, the personal care provider organization under section 256B.0659. Upon implementation of Community First Services and Supports (CFSS), this notification requirement applies to the CFSS support worker or CFSS agency under section 256B.85.

~~(g)~~ (m) If, as a result of a reconsideration, review, or hearing, the lead investigative agency changes the final disposition, or if a final disposition is changed on appeal, the lead investigative agency shall notify the parties specified in paragraph ~~(f)~~ (k).

~~(h)~~ (n) The lead investigative agency shall notify the vulnerable adult who is the subject of the report or the vulnerable adult's guardian or health care agent, if known, and any person or facility determined to have maltreated a vulnerable adult, of their appeal or review rights under this section or section 256.021.

~~(i)~~ (o) The lead investigative agency shall routinely provide investigation memoranda for substantiated reports to the appropriate licensing boards. These reports must include the names of substantiated perpetrators. The lead investigative agency may not provide investigative memoranda for inconclusive or false reports to the appropriate licensing boards unless the lead investigative agency's investigation gives reason to believe that there may have been a violation of the applicable professional practice laws. If the investigation memorandum is provided to a licensing board, the subject of the investigation memorandum shall be notified and receive a summary of the investigative findings.

~~(j)~~ (p) In order to avoid duplication, licensing boards shall consider the findings of the lead investigative agency in their investigations if they choose to investigate. This does not preclude licensing boards from considering other information.

~~(k)~~ (q) The lead investigative agency must provide to the commissioner of human services its final dispositions, including the names of all substantiated perpetrators. The commissioner of human services shall establish records to retain the names of substantiated perpetrators.

Sec. 34. Minnesota Statutes 2020, section 626.557, subdivision 9d, is amended to read:

Subd. 9d. **Administrative reconsideration; review panel.** (a) Except as provided under paragraph (e), any individual or facility which a lead investigative agency determines has maltreated a vulnerable adult, or the vulnerable adult or an interested person acting on behalf of the vulnerable adult, regardless of the lead investigative agency's determination, who contests the lead investigative agency's final disposition of an allegation of maltreatment, may request the lead investigative agency to reconsider its final disposition. The request for reconsideration must be submitted in writing to the lead investigative agency within 15 calendar days after receipt of notice of final disposition or, if the request is made by an interested person who is not entitled to notice, within 15 days after receipt of the notice by the vulnerable adult or the vulnerable adult's guardian or health care agent. If mailed, the request for reconsideration must be postmarked and sent to the lead investigative agency within 15 calendar days of the individual's or facility's receipt of the final disposition. If the request for reconsideration is made by personal service, it must be received by the lead investigative agency within 15 calendar days of the individual's or facility's receipt of the final disposition. An individual who was determined to have maltreated a vulnerable adult under this section and who was disqualified on the basis of serious or recurring maltreatment under sections 245C.14 and 245C.15, may request reconsideration of the maltreatment determination and the disqualification. The request for reconsideration of the maltreatment determination and the disqualification must be submitted in writing within 30 calendar days of the individual's receipt of the notice of disqualification under sections 245C.16 and 245C.17. If mailed, the request for reconsideration of the maltreatment determination and the disqualification must be postmarked and sent to the lead investigative agency within 30 calendar days of the individual's receipt of the notice of disqualification. If the request for reconsideration is made by personal service, it must be received by the lead investigative agency within 30 calendar days after the individual's receipt of the notice of disqualification.

(b) Except as provided under paragraphs (e) and (f), if the lead investigative agency denies the request or fails to act upon the request within 15 working days after receiving the request for reconsideration, the person or facility entitled to a fair hearing under section 256.045, may submit to the commissioner of human services a written request for a hearing under that statute. The vulnerable adult, or an interested person acting on behalf of the vulnerable adult, may request a review by the Vulnerable Adult Maltreatment Review Panel under section 256.021 if the lead investigative agency denies the request or fails to act upon the request, or if the vulnerable adult or interested person contests a reconsidered disposition. The Vulnerable Adult Maltreatment Review Panel shall not conduct a review if the interested person making the request on behalf of the vulnerable adult is also the individual or facility alleged responsible for the maltreatment of the vulnerable adult. The lead investigative agency shall notify persons who request reconsideration of their rights under this paragraph. The request must be submitted in writing to the review panel and a copy sent to the lead investigative agency within 30 calendar days of receipt of notice of a denial of a request for reconsideration or of a reconsidered disposition. The request must specifically identify the aspects of the lead investigative agency determination with which the person is dissatisfied.

(c) If, as a result of a reconsideration or review, the lead investigative agency changes the final disposition, it shall notify the parties specified in subdivision 9c, paragraph ~~(f)~~ (i).

(d) For purposes of this subdivision, "interested person acting on behalf of the vulnerable adult" means a person designated in writing by the vulnerable adult to act on behalf of the vulnerable adult, or a legal guardian or conservator or other legal representative, a proxy or health care agent appointed under chapter 145B or 145C, or an individual who is related to the vulnerable adult, as defined in section 245A.02, subdivision 13.

(e) If an individual was disqualified under sections 245C.14 and 245C.15, on the basis of a determination of maltreatment, which was serious or recurring, and the individual has requested reconsideration of the maltreatment determination under paragraph (a) and reconsideration of the disqualification under sections 245C.21 to 245C.27, reconsideration of the maltreatment determination and requested reconsideration of the disqualification shall be consolidated into a single reconsideration. If reconsideration of the maltreatment determination is denied and the individual remains disqualified following a reconsideration decision, the individual may request a fair hearing under section 256.045. If an individual requests a fair hearing on the maltreatment determination and the disqualification, the scope of the fair hearing shall include both the maltreatment determination and the disqualification.

(f) If a maltreatment determination or a disqualification based on serious or recurring maltreatment is the basis for a denial of a license under section 245A.05 or a licensing sanction under section 245A.07, the license holder has the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. As provided for under section 245A.08, the scope of the contested case hearing must include the maltreatment determination, disqualification, and licensing sanction or denial of a license. In such cases, a fair hearing must not be conducted under section 256.045. Except for family child care and child foster care, reconsideration of a maltreatment determination under this subdivision, and reconsideration of a disqualification under section 245C.22, must not be conducted when:

(1) a denial of a license under section 245A.05, or a licensing sanction under section 245A.07, is based on a determination that the license holder is responsible for maltreatment or the disqualification of a license holder based on serious or recurring maltreatment;

(2) the denial of a license or licensing sanction is issued at the same time as the maltreatment determination or disqualification; and

(3) the license holder appeals the maltreatment determination or disqualification, and denial of a license or licensing sanction.

Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under sections 260E.33 and 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 260E.33, and 626.557, subdivision 9d.

If the disqualified subject is an individual other than the license holder and upon whom a background study must be conducted under chapter 245C, the hearings of all parties may be consolidated into a single contested case hearing upon consent of all parties and the administrative law judge.

(g) Until August 1, 2002, an individual or facility that was determined by the commissioner of human services or the commissioner of health to be responsible for neglect under section 626.5572, subdivision 17, after October 1, 1995, and before August 1, 2001, that believes that the finding of neglect does not meet an amended definition of neglect may request a reconsideration of the determination of neglect. The commissioner of human services or the commissioner of health shall mail a notice to the last known address of individuals who are eligible to seek this reconsideration. The request for reconsideration must state how the established findings no longer meet the elements of the definition of neglect. The commissioner shall review the request for reconsideration and make a determination within 15 calendar days. The commissioner's decision on this reconsideration is the final agency action.

(1) For purposes of compliance with the data destruction schedule under subdivision 12b, paragraph (d), when a finding of substantiated maltreatment has been changed as a result of a reconsideration under this paragraph, the date of the original finding of a substantiated maltreatment must be used to calculate the destruction date.

(2) For purposes of any background studies under chapter 245C, when a determination of substantiated maltreatment has been changed as a result of a reconsideration under this paragraph, any prior disqualification of the individual under chapter 245C that was based on this determination of maltreatment shall be rescinded, and for future background studies under chapter 245C the commissioner must not use the previous determination of substantiated maltreatment as a basis for disqualification or as a basis for referring the individual's maltreatment history to a health-related licensing board under section 245C.31.

Sec. 35. Minnesota Statutes 2020, section 626.557, subdivision 10, is amended to read:

Subd. 10. **Duties of county social service agency.** (a) When the common entry point refers a report to the county social service agency as the lead investigative agency or makes a referral to the county social service agency for emergency adult protective services, or when another lead investigative agency requests assistance from the county social service agency for adult protective services, the county social service agency shall immediately assess and offer emergency and continuing protective social services for purposes of preventing further maltreatment and for safeguarding the welfare of the maltreated vulnerable adult. The county shall use ~~a~~ standardized ~~tool~~ tools and the data system made available by the commissioner. The information entered by the county into the standardized tool must be accessible to the Department of Human Services. In cases of suspected sexual abuse, the county social service agency shall immediately arrange for and make available to the vulnerable adult appropriate medical examination and treatment. When necessary in order to protect the vulnerable adult from further harm, the county social service agency shall seek authority to remove the vulnerable adult from the situation in which the maltreatment occurred. The county social service agency may also investigate to determine whether the conditions which resulted in the reported maltreatment place other vulnerable adults in jeopardy of being maltreated and offer protective social services that are called for by its determination.

(b) Within five business days of receipt of a report screened in by the county social service agency for investigation, the county social service agency shall determine whether, in addition to an assessment and services for the vulnerable adult, to also conduct an investigation for final disposition of the individual or facility alleged to have maltreated the vulnerable adult.

(c) The county social service agency must investigate for a final disposition the individual or facility alleged to have maltreated a vulnerable adult for each report accepted as lead investigative agency involving an allegation of abuse, caregiver neglect that resulted in harm to the vulnerable adult, financial exploitation that may be criminal, or an allegation against a caregiver under chapter 256B.

(d) An investigating county social service agency must make a final disposition for any allegation when the county social service agency determines that a final disposition may safeguard a vulnerable adult or may prevent further maltreatment.

(e) If the county social service agency learns of an allegation listed in paragraph (c) after the determination in paragraph (a), the county social service agency must change the initial determination and conduct an investigation for final disposition of the individual or facility alleged to have maltreated the vulnerable adult.

~~(b)~~ (f) County social service agencies may enter facilities and inspect and copy records as part of an investigation. The county social service agency has access to not public data, as defined in section 13.02, and medical records under sections 144.291 to 144.298, that are maintained by facilities to the extent necessary to conduct its investigation. The inquiry is not limited to the written records of the facility, but may include every other available source of information.

~~(c)~~ (g) When necessary in order to protect a vulnerable adult from serious harm, the county social service agency shall immediately intervene on behalf of that adult to help the family, vulnerable adult, or other interested person by seeking any of the following:

(1) a restraining order or a court order for removal of the perpetrator from the residence of the vulnerable adult pursuant to section 518B.01;

(2) the appointment of a guardian or conservator pursuant to sections 524.5-101 to 524.5-502, or guardianship or conservatorship pursuant to chapter 252A;

(3) replacement of a guardian or conservator suspected of maltreatment and appointment of a suitable person as guardian or conservator, pursuant to sections 524.5-101 to 524.5-502; or

(4) a referral to the prosecuting attorney for possible criminal prosecution of the perpetrator under chapter 609.

The expenses of legal intervention must be paid by the county in the case of indigent persons, under section 524.5-502 and chapter 563.

In proceedings under sections 524.5-101 to 524.5-502, if a suitable relative or other person is not available to petition for guardianship or conservatorship, a county employee shall present the petition with representation by the county attorney. The county shall contract with or arrange for a suitable person or organization to provide ongoing guardianship services. If the county presents evidence to the court exercising probate jurisdiction that it has made a diligent effort and no other suitable person can be found, a county employee may serve as guardian or conservator. The county shall not retaliate against the employee for any action taken on behalf of the ~~ward or protected~~ person subject to guardianship or conservatorship, even if the action is adverse to the county's interest. Any person retaliated against in violation of this subdivision shall have a cause of action against the county and shall be entitled to reasonable attorney fees and costs of the action if the action is upheld by the court.

Sec. 36. Minnesota Statutes 2020, section 626.557, subdivision 10b, is amended to read:

Subd. 10b. **Investigations; guidelines.** (a) Each lead investigative agency shall develop guidelines for prioritizing reports for investigation.

(b) When investigating a report, the lead investigative agency shall conduct the following activities~~,~~ as appropriate:

(1) interview of the ~~alleged victim~~ vulnerable adult;

(2) interview of the reporter and others who may have relevant information;

(3) interview of the ~~alleged perpetrator~~ individual or facility alleged responsible for maltreatment; and

~~(4) examination of the environment surrounding the alleged incident;~~

~~(5)~~ (4) review of records and pertinent documentation of the alleged incident~~; and~~.

~~(6) consultation with professionals.~~

(c) The lead investigative agency shall conduct the following activities as appropriate to further the investigation, to prevent further maltreatment, or to safeguard the vulnerable adult:

(1) examining the environment surrounding the alleged incident;

(2) consulting with professionals; and

(3) communicating with state, federal, tribal, and other agencies including:

(i) service providers;

(ii) case managers;

(iii) ombudsmen; and

(iv) support persons for the vulnerable adult.

(d) The lead investigative agency may decide not to conduct an interview of a vulnerable adult, reporter, or witness under paragraph (b) if:

(1) the vulnerable adult, reporter, or witness declines to have an interview with the agency or is unable to be contacted despite the agency's diligent attempts;

(2) an interview of the vulnerable adult or reporter was conducted by law enforcement or a professional trained in forensic interview and an additional interview will not further the investigation;

(3) an interview of the witness will not further the investigation; or

(4) the agency has a reason to believe that the interview will endanger the vulnerable adult.

Sec. 37. Minnesota Statutes 2020, section 626.557, subdivision 12b, is amended to read:

Subd. 12b. **Data management.** (a) In performing any of the duties of this section as a lead investigative agency, the county social service agency shall maintain appropriate records. Data collected by the county social service agency under this section while providing adult protective services are welfare data under section 13.46. Investigative data collected under this section are confidential data on individuals or protected nonpublic data as defined under section 13.02. Notwithstanding section 13.46, subdivision 1, paragraph (a), data under this paragraph that are inactive investigative data on an individual who is a vendor of services are private data on individuals, as defined in section 13.02. The identity of the reporter may only be disclosed as provided in paragraph (c).

Data maintained by the common entry point are confidential data on individuals or protected nonpublic data as defined in section 13.02. Notwithstanding section 138.163, the common entry point shall maintain data for three calendar years after date of receipt and then destroy the data unless otherwise directed by federal requirements.

(b) The commissioners of health and human services shall prepare an investigation memorandum for each report alleging maltreatment investigated under this section. County social service agencies must maintain private data on individuals but are not required to prepare an investigation memorandum. During an investigation by the commissioner of health or the commissioner of human services, data collected under this section are confidential data on individuals or protected nonpublic data as defined in section 13.02. Upon completion of the investigation, the data are classified as provided in clauses (1) to (3) and paragraph (c).

(1) The investigation memorandum must contain the following data, which are public:

(i) the name of the facility investigated;

(ii) a statement of the nature of the alleged maltreatment;

(iii) pertinent information obtained from medical or other records reviewed;

(iv) the identity of the investigator;

(v) a summary of the investigation's findings;

(vi) statement of whether the report was found to be substantiated, inconclusive, false, or that no determination will be made;

(vii) a statement of any action taken by the facility;

(viii) a statement of any action taken by the lead investigative agency; and

(ix) when a lead investigative agency's determination has substantiated maltreatment, a statement of whether an individual, individuals, or a facility were responsible for the substantiated maltreatment, if known.

The investigation memorandum must be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the names or, to the extent possible, data on individuals or private data listed in clause (2).

(2) Data on individuals collected and maintained in the investigation memorandum are private data, including:

(i) the name of the vulnerable adult;

(ii) the identity of the individual alleged to be the perpetrator;

(iii) the identity of the individual substantiated as the perpetrator; and

(iv) the identity of all individuals interviewed as part of the investigation.

(3) Other data on individuals maintained as part of an investigation under this section are private data on individuals upon completion of the investigation.

(c) ~~After the assessment or investigation is completed,~~ The name of the reporter must be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by a court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that where the identity of the reporter is relevant to a criminal prosecution, the district court shall do an in-camera review prior to determining whether to order disclosure of the identity of the reporter.

(d) Notwithstanding section 138.163, data maintained under this section by the commissioners of health and human services must be maintained under the following schedule and then destroyed unless otherwise directed by federal requirements:

(1) data from reports determined to be false, maintained for three years after the finding was made;

(2) data from reports determined to be inconclusive, maintained for four years after the finding was made;

(3) data from reports determined to be substantiated, maintained for seven years after the finding was made; and

(4) data from reports which were not investigated by a lead investigative agency and for which there is no final disposition, maintained for three years from the date of the report.

(e) The commissioners of health and human services shall annually publish on their websites the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigation under this section, and the resolution of those investigations. On a biennial basis, the commissioners of health and human services shall jointly report the following information to the legislature and the governor:

(1) the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigations under this section, the resolution of those investigations, and which of the two lead agencies was responsible;

(2) trends about types of substantiated maltreatment found in the reporting period;

(3) if there are upward trends for types of maltreatment substantiated, recommendations for addressing and responding to them;

(4) efforts undertaken or recommended to improve the protection of vulnerable adults;

(5) whether and where backlogs of cases result in a failure to conform with statutory time frames and recommendations for reducing backlogs if applicable;

(6) recommended changes to statutes affecting the protection of vulnerable adults; and

(7) any other information that is relevant to the report trends and findings.

(f) Each lead investigative agency must have a record retention policy.

(g) Lead investigative agencies, county agencies responsible for adult protective services, prosecuting authorities, and law enforcement agencies may exchange not public data, as defined in section 13.02, with a tribal agency, facility, service provider, vulnerable adult, primary support person for a vulnerable adult, state licensing board, federal or state agency, the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities, if the agency or authority ~~requesting~~ providing the data determines that the data are pertinent and necessary ~~to the requesting agency in initiating, furthering, or completing~~ to prevent further maltreatment of a vulnerable adult, to safeguard a vulnerable adult, or for an investigation under this section. Data collected under this section must be made available to prosecuting authorities and law enforcement officials, local county agencies, and licensing agencies investigating the alleged maltreatment under this section. The lead investigative agency shall exchange not public data with the vulnerable adult maltreatment review panel established in section 256.021 if the data are pertinent and necessary for a review requested under that section. Notwithstanding section 138.17, upon completion of the review, not public data received by the review panel must be destroyed.

(h) Each lead investigative agency shall keep records of the length of time it takes to complete its investigations.

(i) A lead investigative agency may notify other affected parties and their authorized representative if the lead investigative agency has reason to believe maltreatment has occurred and determines the information will safeguard the well-being of the affected parties or dispel widespread rumor or unrest in the affected facility.

(j) Under any notification provision of this section, where federal law specifically prohibits the disclosure of patient identifying information, a lead investigative agency may not provide any notice unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 38. Minnesota Statutes 2020, section 626.5571, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county may establish a multidisciplinary adult protection team comprised of the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, and representatives of health care. In addition, representatives of mental health or other appropriate human service agencies, representatives from local tribal governments, ~~and~~ adult advocate groups, and any other organization with relevant expertise may be added to the adult protection team.

Sec. 39. Minnesota Statutes 2020, section 626.5571, subdivision 2, is amended to read:

Subd. 2. **Duties of team.** A multidisciplinary adult protection team may provide public and professional education, develop resources for prevention, intervention, and treatment, and provide case consultation to the local welfare agency to better enable the agency to carry out its ~~adult protection~~ functions under section 626.557 and to meet the community's needs ~~for adult protection services~~. Case consultation may be performed by a committee of the team composed of the team members representing social services, law enforcement, the county attorney, health care, and persons directly involved in an individual case as determined by the case consultation committee. Case consultation ~~is~~ includes a case review process that results in recommendations about services to be provided to the identified adult and family.

Sec. 40. Minnesota Statutes 2020, section 626.5572, subdivision 2, is amended to read:

Subd. 2. **Abuse.** "Abuse" means:

(a) An act against a vulnerable adult that constitutes a violation of, an attempt to violate, or aiding and abetting a violation of:

(1) assault in the first through fifth degrees as defined in sections 609.221 to 609.224;

(2) the use of drugs to injure or facilitate crime as defined in section 609.235;

(3) the solicitation, inducement, and promotion of prostitution as defined in section 609.322; and

(4) criminal sexual conduct in the first through fifth degrees as defined in sections 609.342 to 609.3451.

A violation includes any action that meets the elements of the crime, regardless of whether there is a criminal proceeding or conviction.

(b) Conduct which is not an accident or therapeutic conduct as defined in this section, which produces or could reasonably be expected to produce physical pain or injury or emotional distress including, but not limited to, the following:

(1) hitting, slapping, kicking, pinching, biting, or corporal punishment of a vulnerable adult;

(2) use of repeated or malicious oral, written, or gestured language toward a vulnerable adult or the treatment of a vulnerable adult which would be considered by a reasonable person to be disparaging, derogatory, humiliating, harassing, or threatening; or

(3) use of any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, including the forced separation of the vulnerable adult from other persons against the will of the vulnerable adult or the legal representative of the vulnerable adult~~; and~~ unless authorized under applicable licensing requirements or Minnesota Rules, chapter 9544.

~~(4) use of any aversive or deprivation procedures for persons with developmental disabilities or related conditions not authorized under section 245.825.~~

(c) Any sexual contact or penetration as defined in section 609.341, between a facility staff person or a person providing services in the facility and a resident, patient, or client of that facility.

(d) The act of forcing, compelling, coercing, or enticing a vulnerable adult against the vulnerable adult's will to perform services for the advantage of another.

(e) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C or 252A, or section 253B.03 or 524.5-313, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or, where permitted under law, to provide nutrition and hydration parenterally or through intubation. This paragraph does not enlarge or diminish rights otherwise held under law by:

(1) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(2) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct.

(f) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult.

(g) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with:

(1) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or

(2) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship.

Sec. 41. Minnesota Statutes 2020, section 626.5572, subdivision 4, is amended to read:

Subd. 4. **Caregiver.** "Caregiver" means an individual or facility who has responsibility for all or a portion of the care of a vulnerable adult ~~as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult~~ voluntarily, by contract, or by agreement.

Sec. 42. Minnesota Statutes 2020, section 626.5572, subdivision 17, is amended to read:

Subd. 17. **Neglect.** ~~"Neglect" means:~~ Neglect means neglect by a caregiver or self-neglect.

(a) "Caregiver neglect" means the failure or omission by a caregiver to supply a vulnerable adult with care or services, including but not limited to, food, clothing, shelter, health care, or supervision which is:

(1) reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical and mental capacity or dysfunction of the vulnerable adult; and

(2) which is not the result of an accident or therapeutic conduct.

(b) ~~The absence or likelihood of absence of care or services, including but not limited to, food, clothing, shelter, health care, or supervision necessary to maintain the physical and mental health of the vulnerable adult~~ "Self-neglect" means neglect by a vulnerable adult of the vulnerable adult's own food, clothing, shelter, health care, or other services that are not the responsibility of a caregiver which a reasonable person would deem essential to obtain or maintain the vulnerable adult's health, safety, or comfort ~~considering the physical or mental capacity or dysfunction of the vulnerable adult~~.

(c) For purposes of this section, a vulnerable adult is not neglected for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C, or 252A, or sections 253B.03 or 524.5-101 to 524.5-502, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult, or, where permitted under law, to provide nutrition and hydration parenterally or through intubation; this paragraph does not enlarge or diminish rights otherwise held under law by:

(i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct; or

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult;

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with:

(i) a person including a facility staff person when a consensual sexual personal relationship existed prior to the caregiving relationship; or

(ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship; or

(4) an individual makes an error in the provision of therapeutic conduct to a vulnerable adult which does not result in injury or harm which reasonably requires medical or mental health care; or

(5) an individual makes an error in the provision of therapeutic conduct to a vulnerable adult that results in injury or harm, which reasonably requires the care of a physician, and:

(i) the necessary care is provided in a timely fashion as dictated by the condition of the vulnerable adult;

(ii) if after receiving care, the health status of the vulnerable adult can be reasonably expected, as determined by the attending physician, to be restored to the vulnerable adult's preexisting condition;

(iii) the error is not part of a pattern of errors by the individual;

(iv) if in a facility, the error is immediately reported as required under section 626.557, and recorded internally in the facility;

(v) if in a facility, the facility identifies and takes corrective action and implements measures designed to reduce the risk of further occurrence of this error and similar errors; and

(vi) if in a facility, the actions required under items (iv) and (v) are sufficiently documented for review and evaluation by the facility and any applicable licensing, certification, and ombudsman agency.

(d) Nothing in this definition requires a caregiver, if regulated, to provide services in excess of those required by the caregiver's license, certification, registration, or other regulation.

(e) If the findings of an investigation by a lead investigative agency result in a determination of substantiated maltreatment for the sole reason that the actions required of a facility under paragraph (c), clause (5), item (iv), (v), or (vi), were not taken, then the facility is subject to a correction order. An individual will not be found to have neglected or maltreated the vulnerable adult based solely on the facility's not having taken the actions required under paragraph (c), clause (5), item (iv), (v), or (vi). This must not alter the lead investigative agency's determination of mitigating factors under section 626.557, subdivision 9c, paragraph ~~(c)~~ (f).

ARTICLE 7
CHILD PROTECTION

Section 1. Minnesota Statutes 2020, section 242.19, subdivision 2, is amended to read:

Subd. 2. **Dispositions.** When a child has been committed to the commissioner of corrections by a juvenile court, upon a finding of delinquency, the commissioner may for the purposes of treatment and rehabilitation:

(1) order the child's confinement to the Minnesota Correctional Facility-Red Wing, which shall accept the child, or to a group foster home under the control of the commissioner of corrections, or to private facilities or facilities established by law or incorporated under the laws of this state that may care for delinquent children;

(2) order the child's release on parole under such supervisions and conditions as the commissioner believes conducive to law-abiding conduct, treatment and rehabilitation;

(3) order reconfinement or renewed parole as often as the commissioner believes to be desirable;

(4) revoke or modify any order, except an order of discharge, as often as the commissioner believes to be desirable;

(5) discharge the child when the commissioner is satisfied that the child has been rehabilitated and that such discharge is consistent with the protection of the public;

(6) if the commissioner finds that the child is eligible for probation or parole and it appears from the commissioner's investigation that conditions in the child's or the guardian's home are not conducive to the child's treatment, rehabilitation, or law-abiding conduct, refer the child, together with the commissioner's findings, to a local social services agency or a licensed child-placing agency for placement in a foster care or, when appropriate, for initiation of child in need of protection or services proceedings as provided in sections 260C.001 to 260C.421. The commissioner of corrections shall reimburse local social services agencies for foster care costs they incur for the child while on probation or parole to the extent that funds for this purpose are made available to the commissioner by the legislature. ~~The juvenile court shall order the parents of a child on probation or parole to pay the costs of foster care under section 260B.331, subdivision 1, according to their ability to pay, and to the extent that the commissioner of corrections has not reimbursed the local social services agency.~~

Sec. 2. Minnesota Statutes 2021 Supplement, section 256N.26, subdivision 11, is amended to read:

Subd. 11. **Child income or income attributable to the child.** (a) A monthly Northstar kinship assistance or adoption assistance payment must be considered as income and resources attributable to the child. Northstar kinship assistance and adoption assistance are exempt from garnishment, except as permissible under the laws of the state where the child resides.

(b) When a child is placed into foster care, any income and resources attributable to the child are treated as provided in ~~sections~~ section 252.27 ~~and 260C.331, or 260B.331~~, as applicable to the child being placed.

(c) Supplemental Security Income (SSI), retirement survivor's disability insurance (RSDI), veteran's benefits, railroad retirement benefits, and black lung benefits are considered income and resources attributable to the child.

Sec. 3. Minnesota Statutes 2020, section 256N.26, subdivision 14, is amended to read:

Subd. 14. **Treatment of child support and Minnesota family investment program.** (a) If a child placed in foster care who receives federal Title IV-E foster care maintenance payments also receives child support, the child support payment may be redirected to the financially responsible agency for the duration of the child's placement in foster care. In cases where the child qualifies for Northstar Care for Children by meeting the adoption assistance eligibility criteria or the Northstar kinship assistance eligibility criteria, any court-ordered child support must not be considered income attributable to the child and must have no impact on the monthly payment.

(b) Consistent with section 256J.24, a child eligible for Northstar Care for Children whose caregiver receives a payment on the child's behalf is excluded from a Minnesota family investment program assistance unit.

Sec. 4. Minnesota Statutes 2020, section 260.761, subdivision 2, is amended to read:

Subd. 2. **Agency and court notice to tribes.** (a) When a local social services agency has information that a family assessment ~~or,~~ investigation, or noncaregiver sex trafficking assessment being conducted may involve an Indian child, the local social services agency shall notify the Indian child's tribe of the family assessment ~~or,~~ investigation, or noncaregiver sex trafficking assessment according to section 260E.18. The local social services agency shall provide initial notice ~~shall be provided~~ by telephone and by e-mail or facsimile. The local social services agency shall request that the tribe or a designated tribal representative participate in evaluating the family circumstances, identifying family and tribal community resources, and developing case plans.

(b) When a local social services agency has information that a child receiving services may be an Indian child, the local social services agency shall notify the tribe by telephone and by e-mail or facsimile of the child's full name and date of birth, the full names and dates of birth of the child's biological parents, and, if known, the full names and dates of birth of the child's grandparents and of the child's Indian custodian. This notification must be provided ~~so~~ for the tribe ~~can~~ to determine if the child is enrolled in the tribe or eligible for tribal membership, and ~~must be provided~~ the agency must provide this notification to the tribe within seven days of receiving information that the child may be an Indian child. If information regarding the child's grandparents or Indian custodian is not available within the seven-day period, the local social services agency shall continue to request this information and shall notify the tribe when it is received. Notice shall be provided to all tribes to which the child may have any tribal lineage. If the identity or location of the child's parent or Indian custodian and tribe cannot be determined, the local social services agency shall provide the notice required in this paragraph to the United States secretary of the interior.

(c) In accordance with sections 260C.151 and 260C.152, when a court has reason to believe that a child placed in emergency protective care is an Indian child, the court administrator or a designee shall, as soon as possible and before a hearing takes place, notify the tribal social services agency by telephone and by e-mail or facsimile of the date, time, and location of the emergency protective case hearing. The court shall make efforts to allow appearances by telephone for tribal representatives, parents, and Indian custodians.

(d) A local social services agency must provide the notices required under this subdivision at the earliest possible time to facilitate involvement of the Indian child's tribe. Nothing in this subdivision is intended to hinder the ability of the local social services agency and the court to respond to an emergency situation. Lack of participation by a tribe shall not prevent the tribe from intervening in services and proceedings at a later date. A tribe may participate in a case at any time. At any stage of the local social services agency's involvement with an Indian child, the agency shall provide full cooperation to the tribal social services agency, including disclosure of all data concerning the Indian child. Nothing in this subdivision relieves the local social services agency of satisfying the notice requirements in the Indian Child Welfare Act.

Sec. 5. Minnesota Statutes 2020, section 260B.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a)(1) Whenever legal custody of a child is transferred by the court to a local social services agency, or

(2) whenever legal custody is transferred to a person other than the local social services agency, but under the supervision of the local social services agency, and

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.

~~(b) The court shall order, and the local social services agency shall require, the parents or custodian of a child, while the child is under the age of 18, to use the total income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, Supplemental Security Income (SSI), veterans benefits, railroad retirement benefits and child support. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court shall order, and the local social services agency shall require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance.~~

~~(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court shall inquire into the ability of the parents to support the child and, after giving the parents a reasonable opportunity to be heard, the court shall order, and the local social services agency shall require, the parents to contribute to the cost of care, examination, or treatment of the child. Except in delinquency cases where the victim is a member of the child's immediate family, when determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the local social services agency and approved by the commissioner of human services. In delinquency cases where the victim is a member of the child's immediate family, the court shall use the fee schedule but may also take into account the seriousness of the offense and any expenses which the parents have incurred as a result of the offense. The income of a stepparent who has not adopted a child shall be excluded in calculating the parental contribution under this section.~~

~~(d) The court shall order the amount of reimbursement attributable to the parents or custodian, or attributable to the child, or attributable to both sources, withheld under chapter 518A from the income of the parents or the custodian of the child. A parent or custodian who fails to pay without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed to collect the unpaid sums, or both procedures may be used.~~

~~(c)~~ (b) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services.

Sec. 6. Minnesota Statutes 2021 Supplement, section 260C.007, subdivision 14, is amended to read:

Subd. 14. **Egregious harm.** "Egregious harm" means the infliction of bodily harm to a child or neglect of a child which demonstrates a grossly inadequate ability to provide minimally adequate parental care. ~~The egregious harm need not have occurred in the state or in the county where a termination of parental rights action is otherwise properly venued.~~ A district court may still have proper venue over an action to terminate parental rights when the egregious harm did not occur in the state or county where the district court is located. Egregious harm includes, but is not limited to:

(1) conduct ~~towards~~ toward a child that constitutes a violation of sections 609.185 to 609.2114, 609.222, subdivision 2, 609.223, or any other similar law of any other state;

(2) the infliction of "substantial bodily harm" to a child, as defined in section 609.02, subdivision 7a;

(3) conduct ~~towards~~ toward a child that constitutes felony malicious punishment of a child under section 609.377;

(4) conduct ~~towards~~ toward a child that constitutes felony unreasonable restraint of a child under section 609.255, subdivision 3;

(5) conduct ~~towards~~ toward a child that constitutes felony neglect or endangerment of a child under section 609.378;

(6) conduct ~~towards~~ toward a child that constitutes assault under section 609.221, 609.222, or 609.223;

(7) conduct ~~towards~~ toward a child that constitutes sex trafficking, solicitation, inducement, ~~or~~ promotion of, or receiving profit derived from prostitution under section 609.322;

(8) conduct ~~towards~~ toward a child that constitutes murder or voluntary manslaughter as defined by United States Code, title 18, section 1111(a) or 1112(a);

(9) conduct ~~towards~~ toward a child that constitutes aiding or abetting, attempting, conspiring, or soliciting to commit a murder or voluntary manslaughter that constitutes a violation of United States Code, title 18, section 1111(a) or 1112(a); or

(10) conduct toward a child that constitutes criminal sexual conduct under sections 609.342 to 609.345 or sexual extortion under section 609.3458.

Sec. 7. Minnesota Statutes 2020, section 260C.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a) Except where parental rights are terminated,

(1) whenever legal custody of a child is transferred by the court to a responsible social services agency,

(2) whenever legal custody is transferred to a person other than the responsible social services agency, but under the supervision of the responsible social services agency, or

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.

~~(b) The court shall order, and the responsible social services agency shall require, the parents or custodian of a child, while the child is under the age of 18, to use the total income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, Supplemental Security Income (SSI), veterans benefits, railroad retirement benefits and child support. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court shall order, and the responsible social services agency shall require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance. Income does not include earnings from a child over the age of 18 who is working as part of a plan under section 260C.212, subdivision 1, paragraph (c), clause (12), to transition from foster care, or the income and resources from sources other than Supplemental Security Income and child support that are needed to complete the requirements listed in section 260C.203.~~

~~(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court shall inquire into the ability of the parents to support the child and, after giving the parents a reasonable opportunity to be heard, the court shall order, and the responsible social services agency shall require, the parents to contribute to the cost of care, examination, or treatment of the child. When determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the responsible social services agency and approved by the commissioner of human services. The income of a stepparent who has not adopted a child shall be excluded in calculating the parental contribution under this section.~~

~~(d) The court shall order the amount of reimbursement attributable to the parents or custodian, or attributable to the child, or attributable to both sources, withheld under chapter 518A from the income of the parents or the custodian of the child. A parent or custodian who fails to pay without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed to collect the unpaid sums, or both procedures may be used.~~

~~(e)~~ (b) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services.

~~(f) Notwithstanding paragraph (b), (c), or (d),~~ (c) A parent, custodian, or guardian of the child is not required to use income and resources attributable to the child to reimburse the county for costs of care and is not required to contribute to the cost of care of the child during any period of time when the child is returned to the home of that parent, custodian, or guardian pursuant to a trial home visit under section 260C.201, subdivision 1, paragraph (a).

Sec. 8. Minnesota Statutes 2020, section 260C.451, subdivision 8, is amended to read:

Subd. 8. **Notice of termination of foster care.** When a child in foster care between the ages of 18 and 21 ceases to meet one of the eligibility criteria of subdivision 3a, the responsible social services agency shall give the child written notice that foster care will terminate 30 days from the date the notice is sent. The child or the child's guardian ad litem may file a motion asking the court to review the agency's determination within 15 days of receiving the notice. The child ~~shall~~ must not be discharged from foster care until the motion is heard. The agency

shall work with the child to prepare for the child's transition out of foster care ~~as~~. The agency must provide the court with the child's personalized transition plan required to be developed under section ~~260C.203, paragraph (d), clause (2)~~ 260C.452, subdivision 4, if the motion is filed. The written notice of termination of benefits shall be on a form prescribed by the commissioner and shall also give notice of the right to have the agency's determination reviewed by the court in the proceeding where the court conducts the reviews required under section 260C.203, 260C.317, or 260C.515, subdivision 5 or 6. A copy of the termination notice shall be sent to the child and the child's attorney, if any, the foster care provider, the child's guardian ad litem, and the court. The agency is not responsible for paying foster care benefits for any period of time after the child actually leaves foster care.

Sec. 9. Minnesota Statutes 2020, section 260C.451, is amended by adding a subdivision to read:

Subd. 8a. **Transition planning.** For a youth who will be discharged from foster care at 18 years of age or older, the responsible social services agency must develop a personalized transition plan as directed by the youth during the 180-day period immediately prior to the expected date of discharge according to section 260C.452, subdivision 4. A youth's personalized transition plan must include the support beyond 21 program under subdivision 8b for eligible youth. With a youth's consent, the responsible social services agency may share the youth's personalized transition plan with a contracted agency providing case management services under section 260C.452.

Sec. 10. Minnesota Statutes 2020, section 260C.451, is amended by adding a subdivision to read:

Subd. 8b. **Support beyond 21 program.** For a youth who was eligible for extended foster care under subdivision 3 and is discharged at age 21, the responsible social services agency must ensure that the youth is referred to the support beyond 21 program. The support beyond 21 program must provide a youth with one additional year of financial support for housing and basic needs to assist the youth aging out of extended foster care at age 21. A youth receiving benefits under the support beyond 21 program is also eligible for the successful transition to adulthood program for additional support under section 260C.452. A youth who transitions to residential services under sections 256B.092 and 256B.49 is not eligible for the support beyond 21 program.

Sec. 11. Minnesota Statutes 2020, section 260E.01, is amended to read:

260E.01 POLICY.

(a) The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through maltreatment. While it is recognized that most parents want to keep their children safe, sometimes circumstances or conditions interfere with their ability to do so. When this occurs, the health and safety of the children must be of paramount concern. Intervention and prevention efforts must address immediate concerns for child safety and the ongoing risk of maltreatment and should engage the protective capacities of families. In furtherance of this public policy, it is the intent of the legislature under this chapter to:

(1) protect children and promote child safety;

(2) strengthen the family;

(3) make the home, school, and community safe for children by promoting responsible child care in all settings; and

(4) provide, when necessary, a safe temporary or permanent home environment for maltreated children.

(b) In addition, it is the policy of this state to:

(1) require the reporting of maltreatment of children in the home, school, and community settings;

(2) provide for ~~the~~ voluntary reporting of maltreatment of children;

(3) require an investigation when the report alleges sexual abuse or substantial child endangerment, except when the report alleges sex trafficking by a noncaregiver sex trafficker;

(4) provide a family assessment, if appropriate, when the report does not allege sexual abuse or substantial child endangerment; ~~and~~

(5) provide a noncaregiver sex trafficking assessment when the report alleges sex trafficking by a noncaregiver sex trafficker; and

(6) provide protective, family support, and family preservation services when needed in appropriate cases.

Sec. 12. Minnesota Statutes 2020, section 260E.02, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary child protection team that may include, but is not ~~be~~ limited to, the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, representatives of health and education, representatives of mental health, representatives of agencies providing specialized services or responding to youth who experience or are at risk of experiencing sex trafficking or sexual exploitation, or other appropriate human services or community-based agencies, and parent groups. As used in this section, a "community-based agency" may include, but is not limited to, schools, social services agencies, family service and mental health collaboratives, children's advocacy centers, early childhood and family education programs, Head Start, or other agencies serving children and families. A member of the team must be designated as the lead person of the team responsible for the planning process to develop standards for the team's activities with battered women's and domestic abuse programs and services.

Sec. 13. Minnesota Statutes 2020, section 260E.03, is amended by adding a subdivision to read:

Subd. 15a. **Noncaregiver sex trafficker.** "Noncaregiver sex trafficker" means an individual who is alleged to have engaged in the act of sex trafficking a child and who is not a person responsible for the child's care, who does not have a significant relationship with the child as defined in section 609.341, and who is not a person in a current or recent position of authority as defined in section 609.341, subdivision 10.

Sec. 14. Minnesota Statutes 2020, section 260E.03, is amended by adding a subdivision to read:

Subd. 15b. **Noncaregiver sex trafficking assessment.** "Noncaregiver sex trafficking assessment" is a comprehensive assessment of child safety, the risk of subsequent child maltreatment, and strengths and needs of the child and family. The local welfare agency shall only perform a noncaregiver sex trafficking assessment when a maltreatment report alleges sex trafficking of a child by someone other than the child's caregiver. A noncaregiver sex trafficking assessment does not include a determination of whether child maltreatment occurred. A noncaregiver sex trafficking assessment includes a determination of a family's need for services to address the safety of a child or children, the safety of family members, and the risk of subsequent child maltreatment.

Sec. 15. Minnesota Statutes 2021 Supplement, section 260E.03, subdivision 22, is amended to read:

Subd. 22. **Substantial child endangerment.** "Substantial child endangerment" means that a person responsible for a child's care, by act or omission, commits or attempts to commit an act against a child ~~under their~~ in the person's care that constitutes any of the following:

(1) egregious harm under subdivision 5;

(2) abandonment under section 260C.301, subdivision 2;

(3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(5) manslaughter in the first or second degree under section 609.20 or 609.205;

(6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(7) sex trafficking, solicitation, inducement, ~~and~~ or promotion of prostitution under section 609.322;

(8) criminal sexual conduct under sections 609.342 to 609.3451;

(9) sexual extortion under section 609.3458;

(10) solicitation of children to engage in sexual conduct under section 609.352;

(11) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;

(12) use of a minor in sexual performance under section 617.246; or

(13) parental behavior, status, or condition ~~that mandates that~~ requiring the county attorney to file a termination of parental rights petition under section 260C.503, subdivision 2.

Sec. 16. Minnesota Statutes 2020, section 260E.14, subdivision 2, is amended to read:

Subd. 2. **Sexual abuse.** (a) The local welfare agency is the agency responsible for investigating an allegation of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual functioning within the family unit as a person responsible for the child's care, or a person with a significant relationship to the child if that person resides in the child's household.

(b) The local welfare agency is also responsible for assessing or investigating when a child is identified as a victim of sex trafficking.

Sec. 17. Minnesota Statutes 2020, section 260E.14, subdivision 5, is amended to read:

Subd. 5. **Law enforcement.** (a) The local law enforcement agency is the agency responsible for investigating a report of maltreatment if a violation of a criminal statute is alleged.

(b) Law enforcement and the responsible agency must coordinate their investigations or assessments as required under this chapter when ~~the~~: (1) a report alleges maltreatment that is a violation of a criminal statute by a person who is a parent, guardian, sibling, person responsible for the child's care ~~functioning~~ within the family unit, or by a person who lives in the child's household and who has a significant relationship to the child~~,~~ in a setting other than a facility as defined in section 260E.03; or (2) a report alleges sex trafficking of a child.

Sec. 18. Minnesota Statutes 2020, section 260E.17, subdivision 1, is amended to read:

Subdivision 1. **Local welfare agency.** (a) Upon receipt of a report, the local welfare agency shall determine whether to conduct a family assessment ~~or~~, an investigation, or a noncaregiver sex trafficking assessment as appropriate to prevent or provide a remedy for maltreatment.

(b) The local welfare agency shall conduct an investigation when the report involves sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.

(c) The local welfare agency shall begin an immediate investigation ~~if,~~ at any time when the local welfare agency is ~~using~~ responding with a family assessment ~~response,~~ and the local welfare agency determines that there is reason to believe that sexual abuse ~~or~~, substantial child endangerment, or a serious threat to the child's safety exists.

(d) The local welfare agency may conduct a family assessment for reports that do not allege sexual abuse, except as indicated in paragraph (f), or substantial child endangerment. In determining that a family assessment is appropriate, the local welfare agency may consider issues of child safety, parental cooperation, and the need for an immediate response.

(e) The local welfare agency may conduct a family assessment ~~on~~ for a report that was initially screened and assigned for an investigation. In determining that a complete investigation is not required, the local welfare agency must document the reason for terminating the investigation and notify the local law enforcement agency if the local law enforcement agency is conducting a joint investigation.

(f) The local welfare agency shall conduct a noncaregiver sex trafficking assessment when a maltreatment report alleges sex trafficking of a child and the alleged offender is a noncaregiver sex trafficker as defined by section 260E.03, subdivision 15a.

(g) During a noncaregiver sex trafficking assessment, the local welfare agency shall initiate an immediate investigation if there is reason to believe that a child's parent, caregiver, or household member allegedly engaged in the act of sex trafficking a child or is alleged to have engaged in any conduct requiring the agency to conduct an investigation.

Sec. 19. Minnesota Statutes 2020, section 260E.18, is amended to read:

260E.18 NOTICE TO CHILD'S TRIBE.

The local welfare agency shall provide immediate notice, according to section 260.761, subdivision 2, to an Indian child's tribe when the agency has reason to believe that the family assessment ~~or~~, investigation, or noncaregiver sex trafficking assessment may involve an Indian child. For purposes of this section, "immediate notice" means notice provided within 24 hours.

Sec. 20. Minnesota Statutes 2021 Supplement, section 260E.20, subdivision 2, is amended to read:

Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare agency shall ~~conduct a~~ have face-to-face contact with the child reported to be maltreated and with the child's primary caregiver sufficient to complete a safety assessment and ensure the immediate safety of the child.

(b) Except in a noncaregiver sex trafficking assessment, the local welfare agency shall have face-to-face contact with the child and primary caregiver ~~shall occur~~ immediately after the agency screens in a report if sexual abuse or substantial child endangerment is alleged and within five calendar days of a screened in report for all other reports. If the alleged offender was not already interviewed as the primary caregiver, the local welfare agency shall also conduct a face-to-face interview with the alleged offender in the early stages of the assessment or investigation, except in a noncaregiver sex trafficking assessment. Face-to-face contact with the child and primary caregiver in response to a report alleging sexual abuse or substantial child endangerment may be postponed for no more than five calendar days if the child is residing in a location that is confirmed to restrict contact with the alleged offender as established in guidelines issued by the commissioner, or if the local welfare agency is pursuing a court order for the child's caregiver to produce the child for questioning under section 260E.22, subdivision 5.

(c) At the initial contact with the alleged offender, the local welfare agency or the agency responsible for assessing or investigating the report must inform the alleged offender of the complaints or allegations made against the individual in a manner consistent with laws protecting the rights of the person who made the report. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation. When conducting a noncaregiver sex trafficking assessment, the local child welfare agency is not required to inform or interview the alleged offender.

(d) The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement, except when conducting a noncaregiver sex trafficking assessment. The alleged offender may submit supporting documentation relevant to the assessment or investigation.

Sec. 21. Minnesota Statutes 2020, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment or a noncaregiver sex trafficking assessment.** After conducting a family assessment or a noncaregiver sex trafficking assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment.

Sec. 22. Minnesota Statutes 2020, section 260E.24, subdivision 7, is amended to read:

Subd. 7. **Notification at conclusion of family assessment or a noncaregiver sex trafficking assessment.** Within ten working days of the conclusion of a family assessment or a noncaregiver sex trafficking assessment, the local welfare agency shall notify the parent or guardian of the child of the need for services to address child safety concerns or significant risk of subsequent maltreatment. The local welfare agency and the family may also jointly agree that family support and family preservation services are needed.

Sec. 23. Minnesota Statutes 2020, section 260E.33, subdivision 1, is amended to read:

Subdivision 1. **Following a family assessment or a noncaregiver sex trafficking assessment.** Administrative reconsideration is not applicable to a family assessment or a noncaregiver sex trafficking assessment since no determination concerning maltreatment is made.

Sec. 24. Minnesota Statutes 2020, section 260E.35, subdivision 6, is amended to read:

Subd. 6. **Data retention.** (a) Notwithstanding sections 138.163 and 138.17, a record maintained or a record derived from a report of maltreatment by a local welfare agency, agency responsible for assessing or investigating the report, court services agency, or school under this chapter shall be destroyed as provided in paragraphs (b) to (e) by the responsible authority.

(b) For a report alleging maltreatment that was not accepted for an assessment or an investigation, a family assessment case, a noncaregiver sex trafficking assessment case, and a case where an investigation results in no determination of maltreatment or the need for child protective services, the record must be maintained for a period of five years after the date that the report was not accepted for assessment or investigation or the date of the final entry in the case record. A record of a report that was not accepted must contain sufficient information to identify the subjects of the report, the nature of the alleged maltreatment, and the reasons ~~as to~~ why the report was not accepted. Records under this paragraph may not be used for employment, background checks, or purposes other than to assist in future screening decisions and risk and safety assessments.

(c) All records relating to reports that, upon investigation, indicate ~~either~~ maltreatment or a need for child protective services shall be maintained for ten years after the date of the final entry in the case record.

(d) All records regarding a report of maltreatment, including a notification of intent to interview that was received by a school under section 260E.22, subdivision 7, shall be destroyed by the school when ordered to do so by the agency conducting the assessment or investigation. The agency shall order the destruction of the notification when other records relating to the report under investigation or assessment are destroyed under this subdivision.

(e) Private or confidential data released to a court services agency under subdivision 3, paragraph (d), must be destroyed by the court services agency when ordered to do so by the local welfare agency that released the data. The local welfare agency or agency responsible for assessing or investigating the report shall order destruction of the data when other records relating to the assessment or investigation are destroyed under this subdivision.

Sec. 25. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FOSTER CARE FEDERAL CASH ASSISTANCE BENEFITS PRESERVATION.**

(a) The commissioner of human services shall develop a plan to implement procedures and policies necessary to cease allowing a financially responsible agency to use the federal cash assistance benefits of a child in foster care to pay for out-of-home placement costs for the child. The plan must ensure that federal cash assistance benefits are preserved and made available to meet the best interests of the child and must include recommendations on the following, in compliance with all applicable federal laws and Minnesota Statutes, chapter 256N:

(1) policies for youth and caregiver access to preserved federal cash assistance benefit payments;

(2) representative payees for children in voluntary foster care for treatment pursuant to Minnesota Statutes, chapter 260D; and

(3) family preservation and reunification.

(b) For purposes of this section, "federal cash assistance benefits" means all benefits from programs administered by the Social Security Administration, including from the Supplemental Security Income and the Retirement, Survivors, Disability Insurance programs.

(c) When developing the plan under this section, the commissioner shall consult or engage with:

(1) individuals or entities with experience managing trusts and investment;

(2) individuals or entities with expertise in providing tax advice;

(3) individuals or entities with expertise in preserving assets to avoid negative impacts on public assistance eligibility;

(4) other relevant state agencies;

(5) Tribal nations that have joined or are in the formal planning process to join the American Indian Child Welfare Initiative;

(6) counties;

(7) the Children's Justice Initiative;

(8) organizations that serve and advocate for children and families in the child protection system;

(9) foster families and kinship caregivers, to the extent possible;

(10) youth who have been or are currently in out-of-home placement; and

(11) other relevant stakeholders.

(d) By December 15, 2022, each county shall provide the following data for fiscal years 2019 and 2020 to the commissioner in a form prescribed by the commissioner:

(1) the nonduplicated number of children in foster care in the county who received federal cash assistance benefits;

(2) the number of children for whom the county was the representative payee for federal cash assistance benefits; and

(3) the amount of money that the county collected in federal cash assistance benefits as the representative payee for children in the county.

(e) By January 15, 2024, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and child welfare outlining the plan developed under this section. The report must include a projected timeline for implementation of the plan, estimated implementation costs, and any legislative recommendations that may be required to implement the plan.

ARTICLE 8
ECONOMIC ASSISTANCE POLICY

Section 1. Minnesota Statutes 2020, section 256P.04, subdivision 11, is amended to read:

Subd. 11. **Participant's completion of household report form.** (a) When a participant is required to complete a household report form, the following paragraphs apply.

(b) If the agency receives an incomplete household report form, the agency must immediately ~~return the incomplete form and clearly state what the participant must do for the form to be complete~~ contact the participant by phone or in writing to acquire the necessary information to complete the form.

(c) The automated eligibility system must send a notice of proposed termination of assistance to the participant if a complete household report form is not received by the agency. The automated notice must be mailed to the participant by approximately the 16th of the month. When a participant submits an incomplete form on or after the date a notice of proposed termination has been sent, the termination is valid unless the participant submits a complete form before the end of the month.

(d) The submission of a household report form is considered to have continued the participant's application for assistance if a complete household report form is received within a calendar month after the month in which the form was due. Assistance shall be paid for the period beginning with the first day of that calendar month.

(e) An agency must allow good cause exemptions for a participant required to complete a household report form when any of the following factors cause a participant to fail to submit a completed household report form before the end of the month in which the form is due:

(1) an employer delays completion of employment verification;

(2) the agency does not help a participant complete the household report form when the participant asks for help;

(3) a participant does not receive a household report form due to a mistake on the part of the department or the agency or a reported change in address;

(4) a participant is ill or physically or mentally incapacitated; or

(5) some other circumstance occurs that a participant could not avoid with reasonable care which prevents the participant from providing a completed household report form before the end of the month in which the form is due.

Sec. 2. Minnesota Statutes 2021 Supplement, section 256P.06, subdivision 3, is amended to read:

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

(1) earned income; and

(2) unearned income, which includes:

(i) interest and dividends from investments and savings;

(ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

(iii) proceeds from rent and contract for deed payments in excess of the principal and interest portion owed on property;

(iv) income from trusts, excluding special needs and supplemental needs trusts;

(v) interest income from loans made by the participant or household;

(vi) cash prizes and winnings;

(vii) unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:

(A) 18 years of age and enrolled in a secondary school; or

(B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

(viii) retirement, survivors, and disability insurance payments;

(ix) nonrecurring income over $60 per quarter unless the nonrecurring income is: (A) from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or refund of personal or real property or costs or losses incurred when these payments are made by: a public agency; a court; solicitations through public appeal; a federal, state, or local unit of government; or a disaster assistance organization; (C) provided as an in-kind benefit; or (D) earmarked and used for the purpose for which it was intended, subject to verification requirements under section 256P.04;

(x) retirement benefits;

(xi) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I, and 256J;

(xii) Tribal per capita payments unless excluded by federal and state law;

~~(xiii) income and payments from service and rehabilitation programs that meet or exceed the state's minimum wage rate;~~

~~(xiv)~~ (xiii) income from members of the United States armed forces unless excluded from income taxes according to federal or state law;

~~(xv)~~ (xiv) all child support payments for programs under chapters 119B, 256D, and 256I;

~~(xvi)~~ (xv) the amount of child support received that exceeds $100 for assistance units with one child and $200 for assistance units with two or more children for programs under chapter 256J;

~~(xvii)~~ (xvi) spousal support; and

~~(xviii)~~ (xvii) workers' compensation.

Sec. 3. Minnesota Statutes 2020, 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 256.978;

(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 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) 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 119B, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(11) 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;

(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 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;

(14) the Department of Health for the purposes of epidemiologic investigations;

(15) 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;

(16) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201; and

(17) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System.

(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. 4. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary grammatical and cross-reference changes consistent with the renumbering.

Column A	Column B
256D.051, subdivision 20	256D.60, subdivision 1
256D.051, subdivision 21	256D.60, subdivision 2
256D.051, subdivision 22	256D.60, subdivision 3
256D.051, subdivision 23	256D.60, subdivision 4
256D.051, subdivision 24	256D.60, subdivision 5
256D.0512	256D.61
256D.0515	256D.62
256D.0516	256D.63
256D.053	256D.64

Sec. 5. **REPEALER.**

Minnesota Statutes 2020, section 256D.055, is repealed.

ARTICLE 9
ECONOMIC ASSISTANCE

Section 1. Minnesota Statutes 2020, section 119B.011, subdivision 15, is amended to read:

Subd. 15. **Income.** (a) "Income" means earned income as defined under section 256P.01, subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public assistance cash benefits, including the Minnesota family investment program, diversionary work program, work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance, at-home infant child care subsidy payments, ~~and~~ child support and maintenance distributed to ~~the~~ a family under section 256.741, subdivision 2a~~.~~, and nonrecurring income over $60 per quarter unless the nonrecurring income is:

(1) from tax refunds, tax rebates, or tax credits;

(2) from a reimbursement, rebate, award, grant, or refund of personal or real property or costs or losses incurred when these payments are made by a public agency, a court, a solicitation through public appeal, the federal government, a state or local unit of government, or a disaster assistance organization;

(3) provided as an in-kind benefit; or

(4) earmarked and used for the purpose for which it was intended.

(b) The following are deducted from income: funds used to pay for health insurance premiums for family members, and child or spousal support paid to or on behalf of a person or persons who live outside of the household. Income sources not included in this subdivision and section 256P.06, subdivision 3, are not counted as income.

Sec. 2. Minnesota Statutes 2020, section 119B.025, subdivision 4, is amended to read:

Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility factors according to paragraphs (b) to (g).

(b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

(c) If a family reports a change or a change is known to the agency before the family's regularly scheduled redetermination, the county must act on the change. The commissioner shall establish standards for verifying a change.

(d) A change in income occurs on the day the participant received the first payment reflecting the change in income.

(e) During a family's 12-month eligibility period, if the family's income increases and remains at or below 85 percent of the state median income, adjusted for family size, there is no change to the family's eligibility. The county shall not request verification of the change. The co-payment fee shall not increase during the remaining portion of the family's 12-month eligibility period.

(f) During a family's 12-month eligibility period, if the family's income increases and exceeds 85 percent of the state median income, adjusted for family size, the family is not eligible for child care assistance. The family must be given 15 calendar days to provide verification of the change. If the required verification is not returned or confirms ineligibility, the family's eligibility ends following a subsequent 15-day adverse action notice.

(g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170, subpart 1, if an applicant or participant reports that employment ended, the agency may accept a signed statement from the applicant or participant as verification that employment ended.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 3. Minnesota Statutes 2020, section 256D.03, is amended by adding a subdivision to read:

Subd. 2b. **Budgeting and reporting.** Every county agency shall determine eligibility and calculate benefit amounts for general assistance according to chapter 256P.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 4. Minnesota Statutes 2020, section 256D.0515, is amended to read:

256D.0515 ASSET LIMITATIONS FOR SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM HOUSEHOLDS.

All Supplemental Nutrition Assistance Program (SNAP) households must be determined eligible for the benefit discussed under section 256.029. SNAP households must demonstrate that their gross income is equal to or less than ~~165~~ 200 percent of the federal poverty guidelines for the same family size.

Sec. 5. Minnesota Statutes 2020, section 256D.0516, subdivision 2, is amended to read:

Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP benefit recipient households required to report periodically shall not be required to report more often than one time every six months. ~~This provision shall not apply to households receiving food benefits under the Minnesota family investment program waiver.~~

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 6. Minnesota Statutes 2020, section 256D.06, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; amount of assistance.** General assistance shall be granted to an individual or married couple in an amount ~~that when added to the countable income as determined to be actually~~ equal to the difference between the countable income available ~~to the assistance unit~~ under section 256P.06~~, the total amount equals the applicable standard of assistance for general assistance~~ and the standard for the individual or married couple using the MFIP transitional standard cash portion described in section 256J.24, subdivision 5, paragraph (a). In determining eligibility for and the amount of assistance for an individual or married couple, the agency shall apply the earned income disregard as determined in section 256P.03.

EFFECTIVE DATE. This section is effective October 1, 2023.

Sec. 7. Minnesota Statutes 2020, section 256D.06, subdivision 2, is amended to read:

Subd. 2. **Emergency need.** (a) Notwithstanding the provisions of subdivision 1, a grant of emergency general assistance shall, to the extent funds are available, be made to an eligible single adult, married couple, or family for an emergency need where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist under written criteria adopted by the county agency. If an applicant or recipient relates facts to the county agency which may be sufficient to constitute an emergency situation, the county agency shall, to the extent funds are available, advise the person of the procedure for applying for assistance according to this subdivision.

(b) The applicant must be ineligible for assistance under chapter 256J, must have annual net income no greater than 200 percent of the federal poverty guidelines for the previous calendar year, and may only receive an emergency assistance grant ~~not more than~~ once in any 12-month period.

(c) Funding for an emergency general assistance program is limited to the appropriation. Each fiscal year, the commissioner shall allocate to counties the money appropriated for emergency general assistance grants based on each county agency's average share of state's emergency general expenditures for the immediate past three fiscal years as determined by the commissioner, and may reallocate any unspent amounts to other counties. The commissioner may disregard periods of pandemic or other disaster, including fiscal years 2021 and 2022, when determining the amount allocated to counties. No county shall be allocated less than $1,000 for a fiscal year.

(d) Any emergency general assistance expenditures by a county above the amount of the commissioner's allocation to the county must be made from county funds.

Sec. 8. Minnesota Statutes 2020, section 256D.06, subdivision 5, is amended to read:

Subd. 5. **Eligibility; requirements.** (a) Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall (1) make application for those benefits within ~~30~~ 90 days of the general assistance application, unless an applicant had good cause to not apply within that period; and (2) execute an interim assistance agreement on a form as directed by the commissioner.

(b) The commissioner shall review a denial of an application for other maintenance benefits and may require a recipient of general assistance to file an appeal of the denial if appropriate. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the county agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period.

(c) The commissioner may contract with the county agencies, qualified agencies, organizations, or persons to provide advocacy and support services to process claims for federal disability benefits for applicants or recipients of services or benefits supervised by the commissioner using money retained under this section.

(d) The commissioner may provide methods by which county agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for people with a disability.

(e) The total amount of interim assistance recoveries retained under this section for advocacy, support, and claim processing services shall not exceed 35 percent of the interim assistance recoveries in the prior fiscal year.

Sec. 9. Minnesota Statutes 2020, section 256E.36, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible organization" means a local governmental unit, federally recognized Tribal Nation, or nonprofit organization providing or seeking to provide emergency services for homeless persons.

(d) "Emergency services" means:

(1) providing emergency shelter for homeless persons; and

(2) assisting homeless persons in obtaining essential services, including:

(i) access to permanent housing;

(ii) medical and psychological help;

(iii) employment counseling and job placement;

(iv) substance abuse treatment;

(v) financial assistance available from other programs;

(vi) emergency child care;

(vii) transportation; and

(viii) other services needed to stabilize housing.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 10. **[256E.361] EMERGENCY SHELTER FACILITIES GRANTS.**

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible organization" means a local governmental unit, federally recognized Tribal Nation, or nonprofit organization seeking to acquire, construct, renovate, furnish, or equip facilities for emergency homeless shelters for individuals and families experiencing homelessness.

(d) "Emergency services" has the meaning given in section 256E.36, subdivision 1, paragraph (d).

(e) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and families experiencing homelessness, regardless of whether the facility provides emergency shelter for emergency services during the day, overnight, or both.

Subd. 2. **Program established; purpose.** An emergency shelter facilities grant program is established to help eligible organizations acquire, construct, renovate, furnish, or equip emergency shelter facilities for individuals and families experiencing homelessness. The program shall be administered by the commissioner.

Subd. 3. **Distribution of grants.** The commissioner must make grants with the purpose of ensuring that emergency shelter facilities are available to meet the needs of individuals and families experiencing homelessness statewide.

Subd. 4. **Applications.** An eligible organization may apply to the commissioner for a grant to acquire, construct, renovate, furnish, or equip an emergency shelter facility providing or seeking to provide emergency services for individuals and families experiencing homelessness. The commissioner shall use a competitive request for proposal process to identify potential projects and eligible organizations on a statewide basis.

Subd. 5. **Criteria for grant awards.** The commissioner shall award grants based on the following criteria:

(1) whether the application is for a grant to acquire, construct, renovate, furnish, or equip an emergency shelter facility for individuals and families experiencing homelessness;

(2) evidence of the applicant's need for state assistance and the need for the particular facility to be funded; and

(3) the applicant's long-range plans for future funding if the need continues to exist for the emergency services provided at the facility.

Subd. 6. **Availability of appropriations.** Appropriations under this section are available for a four-year period that begins on July 1 of the fiscal year in which the appropriation occurs. Unspent funds at the end of the four-year period shall be returned back to the general fund.

Sec. 11. Minnesota Statutes 2020, section 256I.03, subdivision 13, is amended to read:

Subd. 13. **Prospective budgeting.** "Prospective budgeting" ~~means estimating the amount of monthly income a person will have in the payment month~~ has the meaning given in section 256P.01, subdivision 9.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 12. Minnesota Statutes 2020, section 256I.06, subdivision 6, is amended to read:

Subd. 6. **Reports.** Recipients must report changes in circumstances according to section 256P.07 ~~that affect eligibility or housing support payment amounts, other than changes in earned income, within ten days of the change~~. Recipients with countable earned income must complete a household report form ~~at least~~ once every six months according to section 256P.10. ~~If the report form is not received before the end of the month in which it is due, the county agency must terminate eligibility for housing support payments. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month eligibility was terminated, the individual is considered to have continued an application for housing support payment effective the first day of the month the eligibility was terminated.~~

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 13. Minnesota Statutes 2021 Supplement, section 256I.06, subdivision 8, is amended to read:

Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board payment to be made on behalf of an eligible individual is determined by subtracting the individual's countable income under section 256I.04, subdivision 1, for a whole calendar month from the room and board rate for that same month. The housing support payment is determined by multiplying the housing support rate times the period of time the individual was a resident or temporarily absent under section 256I.05, subdivision 2a.

(b) For an individual with earned income under paragraph (a), prospective budgeting under section 256P.09 must be used ~~to determine the amount of the individual's payment for the following six-month period. An increase in income shall not affect an individual's eligibility or payment amount until the month following the reporting month. A decrease in income shall be effective the first day of the month after the month in which the decrease is reported~~.

(c) For an individual who receives housing support payments under section 256I.04, subdivision 1, paragraph (c), the amount of the housing support payment is determined by multiplying the housing support rate times the period of time the individual was a resident.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 14. Minnesota Statutes 2020, section 256I.09, is amended to read:

256I.09 COMMUNITY LIVING INFRASTRUCTURE.

The commissioner shall award grants to agencies through an annual competitive process. Grants awarded under this section may be used for: (1) outreach to locate and engage people who are homeless or residing in segregated settings to screen for basic needs and assist with referral to community living resources; (2) building capacity to provide technical assistance and consultation on housing and related support service resources for persons with both disabilities and low income; ~~or~~ (3) streamlining the administration and monitoring activities related to housing support funds; or (4) direct assistance to individuals to access or maintain housing in community settings. Agencies may collaborate and submit a joint application for funding under this section.

Sec. 15. Minnesota Statutes 2020, section 256J.08, subdivision 71, is amended to read:

Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of determining the amount of the assistance payment in which the budget month and payment month are the same~~ has the meaning given in section 256P.01, subdivision 9.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 16. Minnesota Statutes 2020, section 256J.08, subdivision 79, is amended to read:

Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

(1) received periodically, and may be received irregularly when receipt can be anticipated even though the date of receipt cannot be predicted; and

(2) from the same source or of the same type that is received and budgeted in a prospective month ~~and is received in one or both of the first two retrospective months~~.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 17. Minnesota Statutes 2021 Supplement, section 256J.21, subdivision 3, is amended to read:

Subd. 3. **Initial income test.** (a) The agency shall determine initial eligibility by considering all earned and unearned income as defined in section 256P.06. To be eligible for MFIP, the assistance unit's countable income minus the earned income disregards in paragraph (a) and section 256P.03 must be below the family wage level according to section 256J.24, subdivision 7, for that size assistance unit.

~~(a)~~ (b) The initial eligibility determination must disregard the following items:

(1) the earned income disregard as determined in section 256P.03;

(2) dependent care costs must be deducted from gross earned income for the actual amount paid for dependent care up to a maximum of $200 per month for each child less than two years of age, and $175 per month for each child two years of age and older;

(3) all payments made according to a court order for spousal support or the support of children not living in the assistance unit's household shall be disregarded from the income of the person with the legal obligation to pay support; and

(4) an allocation for the unmet need of an ineligible spouse or an ineligible child under the age of 21 for whom the caregiver is financially responsible and who lives with the caregiver according to section 256J.36.

~~(b) After initial eligibility is established,~~ (c) The income test is for a six-month period. The assistance payment calculation is based on ~~the monthly income test~~ prospective budgeting according to section 256P.09.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 18. Minnesota Statutes 2020, section 256J.21, subdivision 4, is amended to read:

Subd. 4. **~~Monthly~~ Income test and determination of assistance payment.** ~~The county agency shall determine ongoing eligibility and the assistance payment amount according to the monthly income test.~~ To be eligible for MFIP, the result of the computations in paragraphs (a) to (e) applied to prospective budgeting must be at least $1.

(a) Apply an income disregard as defined in section 256P.03, to gross earnings and subtract this amount from the family wage level. If the difference is equal to or greater than the MFIP transitional standard, the assistance payment is equal to the MFIP transitional standard. If the difference is less than the MFIP transitional standard, the assistance payment is equal to the difference. The earned income disregard in this paragraph must be deducted every month there is earned income.

(b) All payments made according to a court order for spousal support or the support of children not living in the assistance unit's household must be disregarded from the income of the person with the legal obligation to pay support.

(c) An allocation for the unmet need of an ineligible spouse or an ineligible child under the age of 21 for whom the caregiver is financially responsible and who lives with the caregiver must be made according to section 256J.36.

(d) Subtract unearned income dollar for dollar from the MFIP transitional standard to determine the assistance payment amount.

(e) When income is both earned and unearned, the amount of the assistance payment must be determined by first treating gross earned income as specified in paragraph (a). After determining the amount of the assistance payment under paragraph (a), unearned income must be subtracted from that amount dollar for dollar to determine the assistance payment amount.

~~(f) When the monthly income is greater than the MFIP transitional standard after deductions and the income will only exceed the standard for one month, the county agency must suspend the assistance payment for the payment month.~~

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 19. Minnesota Statutes 2021 Supplement, section 256J.33, subdivision 1, is amended to read:

Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ assessing income and the county agency's best estimate of the circumstances that will exist in the payment month.

(b) ~~Except as described in section 256J.34, subdivision 1, when prospective eligibility exists,~~ A county agency must calculate the amount of the assistance payment using ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance payment amount, a county agency must apply countable income, described in sections 256P.06 and 256J.37, subdivisions 3 to ~~10~~ 9, received by members of an assistance unit or by other persons whose income is counted for the assistance unit, described under sections 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

(c) This income must be applied to the MFIP standard of need or family wage level subject to this section and sections 256J.34 to 256J.36. Countable income as described in section 256P.06, subdivision 3, received ~~in a calendar month~~ must be applied to the needs of an assistance unit.

(d) An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit.

EFFECTIVE DATE. This section is effective March 1, 2024, except that the amendment to paragraph (b) striking "10" and inserting "9" is effective July 1, 2023.

Sec. 20. Minnesota Statutes 2020, section 256J.33, subdivision 2, is amended to read:

Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15 and 256P.02, will be met prospectively for the payment ~~month~~ period. ~~Except for the provisions in section 256J.34, subdivision 1,~~ The income test will be applied ~~retrospectively~~ prospectively.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 21. Minnesota Statutes 2020, section 256J.37, subdivision 3, is amended to read:

Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency must include gross earned income less any disregards in the initial ~~and monthly~~ income test. Gross earned income received by persons employed on a contractual basis must be prorated over the period covered by the contract even when payments are received over a lesser period of time.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 22. Minnesota Statutes 2020, section 256J.37, subdivision 3a, is amended to read:

Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency shall count $50 of the value of public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) as unearned income to the cash portion of the MFIP grant. The full amount of the subsidy must be counted as unearned income when the subsidy is less than $50. The income from this subsidy shall be budgeted according to section ~~256J.34~~ 256P.09.

(b) The provisions of this subdivision shall not apply to an MFIP assistance unit which includes a participant who is:

(1) age 60 or older;

(2) a caregiver who is suffering from an illness, injury, or incapacity that 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; or

(3) a caregiver whose presence in the home is required due to the illness 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 the participant's presence in the home has been certified by a qualified professional and is expected to continue for more than 30 days.

(c) The provisions of this subdivision shall not apply to an MFIP assistance unit where the parental caregiver is an SSI participant.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 23. Minnesota Statutes 2020, section 256J.95, subdivision 19, is amended to read:

Subd. 19. **DWP overpayments and underpayments.** DWP benefits are subject to overpayments and underpayments. Anytime an overpayment or an underpayment is determined for DWP, the correction shall be calculated using prospective budgeting. Corrections shall be determined based on the policy in section ~~256J.34, subdivision 1, paragraphs (a), (b), and (c)~~ 256P.09, subdivisions 1 to 4. ATM errors must be recovered as specified in section 256P.08, subdivision 7. Cross program recoupment of overpayments cannot be assigned to or from DWP.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 24. Minnesota Statutes 2020, section 256K.45, subdivision 3, is amended to read:

Subd. 3. **Street and community outreach and drop-in program.** Youth drop-in centers must provide walk-in access to crisis intervention and ongoing supportive services including one-to-one case management services on a self-referral basis. Street and community outreach programs must locate, contact, and provide information, referrals, and services to homeless youth, youth at risk of homelessness, and runaways. Information, referrals, and services provided may include, but are not limited to:

(1) family reunification services;

(2) conflict resolution or mediation counseling;

(3) assistance in obtaining temporary emergency shelter;

(4) assistance in obtaining food, clothing, medical care, or mental health counseling;

(5) counseling regarding violence, sexual exploitation, substance abuse, sexually transmitted diseases, and pregnancy;

(6) referrals to other agencies that provide support services to homeless youth, youth at risk of homelessness, and runaways;

(7) assistance with education, employment, and independent living skills;

(8) aftercare services;

(9) specialized services for highly vulnerable runaways and homeless youth, including ~~teen~~ but not limited to youth at risk of discrimination based on sexual orientation or gender identity, young parents, emotionally disturbed and mentally ill youth, and sexually exploited youth; and

(10) homelessness prevention.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 25. Minnesota Statutes 2020, section 256P.01, is amended by adding a subdivision to read:

Subd. 9. **Prospective budgeting.** "Prospective budgeting" means estimating the amount of monthly income that an assistance unit will have in the payment month.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 26. Minnesota Statutes 2021 Supplement, section 256P.04, subdivision 4, is amended to read:

Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

(1) identity of adults;

(2) age, if necessary to determine eligibility;

(3) immigration status;

(4) income;

(5) spousal support and child support payments made to persons outside the household;

(6) vehicles;

(7) checking and savings accounts, including but not limited to any business accounts used to pay expenses not related to the business;

(8) inconsistent information, if related to eligibility;

(9) residence; and

(10) Social Security number~~; and~~.

~~(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item (ix), for the intended purpose for which it was given and received.~~

(b) Applicants who are qualified noncitizens and victims of domestic violence as defined under section 256J.08, subdivision 73, clauses (8) and (9), are not required to verify the information in paragraph (a), clause (10). When a Social Security number is not provided to the agency for verification, this requirement is satisfied when each member of the assistance unit cooperates with the procedures for verification of Social Security numbers, issuance of duplicate cards, and issuance of new numbers which have been established jointly between the Social Security Administration and the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 27. Minnesota Statutes 2021 Supplement, section 256P.04, subdivision 8, is amended to read:

Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During recertification and reporting under section 256P.10, the agency shall verify the following:

(1) income, unless excluded, including self-employment earnings;

(2) assets when the value is within $200 of the asset limit; and

(3) inconsistent information, if related to eligibility.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 28. Minnesota Statutes 2021 Supplement, section 256P.06, subdivision 3, is amended to read:

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

(1) earned income; and

(2) unearned income, which includes:

(i) interest and dividends from investments and savings;

(ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

(iii) proceeds from rent and contract for deed payments in excess of the principal and interest portion owed on property;

(iv) income from trusts, excluding special needs and supplemental needs trusts;

(v) interest income from loans made by the participant or household;

(vi) cash prizes and winnings;

(vii) unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:

(A) 18 years of age and enrolled in a secondary school; or

(B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

(viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors, and disability insurance payments;

~~(ix) nonrecurring income over $60 per quarter unless the nonrecurring income is: (A) from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or refund of personal or real property or costs or losses incurred when these payments are made by: a public agency; a court; solicitations through public appeal; a federal, state, or local unit of government; or a disaster assistance organization; (C) provided as an in-kind benefit; or (D) earmarked and used for the purpose for which it was intended, subject to verification requirements under section 256P.04;~~

~~(x)~~ (ix) retirement benefits;

~~(xi)~~ (x) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I, and 256J;

~~(xii)~~ (xi) Tribal per capita payments unless excluded by federal and state law;

~~(xiii)~~ (xii) income and payments from service and rehabilitation programs that meet or exceed the state's minimum wage rate;

~~(xiv)~~ (xiii) income from members of the United States armed forces unless excluded from income taxes according to federal or state law;

~~(xv)~~ (xiv) for the purposes of programs under chapters 119B, 256D, and 256I, all child support payments ~~for programs under chapters 119B, 256D, and 256I~~;

~~(xvi)~~ (xv) for the purposes of programs under chapter 256J, the amount of child support received that exceeds $100 for assistance units with one child and $200 for assistance units with two or more children ~~for programs under chapter 256J~~;

~~(xvii)~~ (xvi) spousal support; ~~and~~

~~(xviii)~~ (xvii) workers' compensation~~.~~; and

(xviii) for the purposes of programs under chapters 119B and 256J, the amount of retirement, survivors, and disability insurance payments that exceeds the applicable monthly federal maximum Supplemental Security Income payments.

EFFECTIVE DATE. This section is effective July 1, 2022, except the amendment removing nonrecurring income over $60 per quarter is effective July 1, 2023.

Sec. 29. Minnesota Statutes 2020, section 256P.07, subdivision 1, is amended to read:

Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security Income and qualify for Minnesota supplemental aid under chapter 256D ~~and~~ or for housing support under chapter 256I ~~on the basis of eligibility for Supplemental Security Income~~ are exempt from ~~this section~~ reporting income under this chapter.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 30. Minnesota Statutes 2020, section 256P.07, is amended by adding a subdivision to read:

Subd. 1a. **Child care assistance programs.** Participants who qualify for child care assistance programs under chapter 119B are exempt from this section except the reporting requirements in subdivision 6.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 31. Minnesota Statutes 2020, section 256P.07, subdivision 2, is amended to read:

Subd. 2. **Reporting requirements.** An applicant or participant must provide information on an application and any subsequent reporting forms about the assistance unit's circumstances that affect eligibility or benefits. An applicant or assistance unit must report changes that affect eligibility or benefits as identified in ~~subdivision~~ subdivisions 3, 4, 5, 7, 8, and 9, during the application period or by the tenth of the month following the month the assistance unit's circumstances changed. When information is not accurately reported, both an overpayment and a referral for a fraud investigation may result. When information or documentation is not provided, the receipt of any benefit may be delayed or denied, depending on the type of information required and its effect on eligibility.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 32. Minnesota Statutes 2020, section 256P.07, subdivision 3, is amended to read:

Subd. 3. **Changes that must be reported.** ~~An assistance unit must report the changes or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur, at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An assistance unit must report other changes at the time of recertification of eligibility under section 256P.04,~~

~~subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under clauses (1) to (12) had not occurred, the agency must determine whether a timely notice could have been issued on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to that notice must be considered a client error overpayment under section 119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within ten days must also be reported for the reporting period in which those changes occurred. Within ten days, an assistance unit must report:~~

~~(1) a change in earned income of $100 per month or greater with the exception of a program under chapter 119B;~~

~~(2) a change in unearned income of $50 per month or greater with the exception of a program under chapter 119B;~~

~~(3) a change in employment status and hours with the exception of a program under chapter 119B;~~

~~(4) a change in address or residence;~~

~~(5) a change in household composition with the exception of programs under chapter 256I;~~

~~(6) a receipt of a lump-sum payment with the exception of a program under chapter 119B;~~

~~(7) an increase in assets if over $9,000 with the exception of programs under chapter 119B;~~

~~(8) a change in citizenship or immigration status;~~

~~(9) a change in family status with the exception of programs under chapter 256I;~~

~~(10) a change in disability status of a unit member, with the exception of programs under chapter 119B;~~

~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program under chapter 119B; and~~

~~(12) a sale, purchase, or transfer of real property with the exception of a program under chapter 119B.~~

(a) An assistance unit must report changes or anticipated changes as described in this subdivision.

(b) An assistance unit must report:

(1) a change in eligibility for Supplemental Security Income, Retirement Survivors Disability Insurance, or another federal income support;

(2) a change in address or residence;

(3) a change in household composition with the exception of programs under chapter 256I;

(4) cash prizes and winnings according to guidance provided for the Supplemental Nutrition Assistance Program;

(5) a change in citizenship or immigration status;

(6) a change in family status with the exception of programs under chapter 256I; and

(7) a change that makes the value of the unit's assets at or above the asset limit.

(c) When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under paragraph (b) had not occurred, the agency must determine the first month that the agency could have reduced or terminated assistance following a timely notice given on the date of the change in income. Each month's overpayment starting with that month must be considered a client error overpayment under section 256P.08.

EFFECTIVE DATE. This section is effective March 1, 2024, except that the amendment striking clause (6) is effective July 1, 2023.

Sec. 33. Minnesota Statutes 2020, section 256P.07, subdivision 4, is amended to read:

Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under chapter 256J~~, within ten days of the change,~~ must report:

(1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~

(2) a change in school attendance of a parent under 20 years of age ~~or of an employed child.~~; and

(3) an individual in the household who is 18 or 19 years of age attending high school who graduates or drops out of school.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 34. Minnesota Statutes 2020, section 256P.07, subdivision 6, is amended to read:

Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must report:

(1) a change in a parentally responsible individual's custody schedule for any child receiving child care assistance program benefits;

(2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

(3) if the unit's family's annual included income exceeds 85 percent of the state median income, adjusted for family size~~.~~;

(4) a change in address or residence;

(5) a change in household composition;

(6) a change in citizenship or immigration status; and

(7) a change in family status.

(b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must report a change in the unit's authorized activity status.

(c) An assistance unit must notify the county when the unit wants to reduce the number of authorized hours for children in the unit.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 35. Minnesota Statutes 2020, section 256P.07, subdivision 7, is amended to read:

Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision 3, an assistance unit participating in the Minnesota supplemental aid program under ~~section 256D.44, subdivision 5, paragraph (g), within ten days of the change,~~ chapter 256D and not receiving Supplemental Security Income must report ~~shelter expenses.~~:

(1) a change in unearned income of $50 per month or greater; and

(2) a change in earned income of $100 per month or greater.

(b) An assistance unit receiving housing assistance under section 256D.44, subdivision 5, paragraph (g), including assistance units that also receive Supplemental Security Income, must report:

(1) a change in shelter expenses; and

(2) a new rent subsidy or a change in rent subsidy.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 36. Minnesota Statutes 2020, section 256P.07, is amended by adding a subdivision to read:

Subd. 8. **Housing support-specific reporting.** (a) In addition to subdivision 3, an assistance unit participating in the housing support program under chapter 256I and not receiving Supplemental Security Income must report:

(1) a change in unearned income of $50 per month or greater; and

(2) a change in earned income of $100 per month or greater, unless the assistance unit is already subject to six-month reporting requirements in section 256P.10.

(b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving housing support under chapter 256I, including an assistance unit that receives Supplemental Security Income, must report:

(1) a new rent subsidy or a change in rent subsidy;

(2) a change in the disability status of a unit member; and

(3) a change in household composition if the assistance unit is a participant in housing support under section 256I.04, subdivision 3, paragraph (a), clause (3).

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 37. Minnesota Statutes 2020, section 256P.07, is amended by adding a subdivision to read:

Subd. 9. **General assistance-specific reporting.** In addition to subdivision 3, an assistance unit participating in the general assistance program under chapter 256D must report:

(1) a change in unearned income of $50 per month or greater;

(2) a change in earned income of $100 per month or greater, unless the assistance unit is already subject to six-month reporting requirements in section 256P.10; and

(3) changes in any condition that would result in the loss of basis for eligibility in section 256D.05, subdivision 1, paragraph (a).

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 38. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

Subdivision 1. **Exempted programs.** Assistance units that qualify for child care assistance programs under chapter 119B, assistance units that receive housing support under chapter 256I and are not subject to reporting under section 256P.10, and assistance units that qualify for Minnesota supplemental aid under chapter 256D are exempt from this section.

Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use prospective budgeting to calculate the assistance payment amount.

Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of benefits, an agency must take into account the income already received by the assistance unit during or anticipated to be received during the application period. Income anticipated to be received only in the initial month of eligibility should only be counted in the initial month.

Subd. 4. **Income determination.** An agency must use prospective budgeting to determine the amount of the assistance unit's benefit for the eligibility period based on the best information available at the time of approval. An agency shall only count anticipated income when the participant and the agency are reasonably certain of the amount of the payment and the month in which the payment will be received. If the exact amount of the income is not known, the agency shall consider only the amounts that can be anticipated as income.

Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's eligibility or benefit amount until the next review unless otherwise required to be reported in section 256P.07. A decrease in income shall be effective on the date that the change occurs if the change is reported by the tenth of the month following the month when the change occurred. If the assistant unit does not report the change in income by the tenth of the month following the month when the change occurred, the change in income shall be effective on the date the change was reported.

EFFECTIVE DATE. This section is effective March 1, 2024.

Sec. 39. **[256P.10] SIX-MONTH REPORTING.**

Subdivision 1. **Exempted programs.** Assistance units that qualify for child care assistance programs under chapter 119B, assistance units that qualify for Minnesota supplemental aid under chapter 256D, and assistance units that qualify for housing support under chapter 256I and also receive Supplemental Security Income are exempt from this section.

Subd. 2. **Reporting.** (a) Every six months, an assistance unit that qualifies for the Minnesota family investment program under chapter 256J, an assistance unit that qualifies for general assistance under chapter 256D with an earned income of $100 per month or greater, or an assistance unit that qualifies for housing support under chapter 256I with an earned income of $100 per month or greater is subject to six-month reviews. The initial reporting period may be shorter than six months in order to align with other programs' reporting periods.

(b) An assistance unit that qualifies for the Minnesota family investment program or an assistance unit that qualifies for general assistance with an earned income of $100 per month or greater must complete household report forms as required by the commissioner for redetermination of benefits.

(c) An assistance unit that qualifies for housing support with an earned income of $100 per month or greater must complete household report forms as prescribed by the commissioner to provide information about earned income.

(d) An assistance unit that qualifies for housing support and also receives assistance through the Minnesota family investment program shall be subject to requirements of this section for purposes of the Minnesota family investment program but not for housing support.

(e) An assistance unit covered by this section must submit a household report form in compliance with the provisions in section 256P.04, subdivision 11.

(f) An assistance unit covered by this section may choose to report changes under this section at any time.

Subd. 3. **When to terminate assistance.** (a) An agency must terminate benefits when the assistance unit fails to submit the household report form before the end of the six-month review period as described in subdivision 2, paragraph (a). If the assistance unit submits the household report form within 30 days of the termination of benefits and remains eligible, benefits must be reinstated and made available retroactively for the full benefit month.

(b) When an assistance unit is determined to be ineligible for assistance according to this section and chapter 256D, 256I, or 256J, the commissioner must terminate assistance.

Sec. 40. **PILOT PROGRAM FOR CHOSEN FAMILY HOSTING TO PREVENT YOUTH HOMELESSNESS.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a pilot program for providers seeking to establish or expand services for homeless youth that formalize situations where a caring adult who a youth considers chosen family allows a youth to stay at the adult's residence to avoid being homeless.

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

(b) "Chosen family" means any individual, related by blood or affinity, whose close association fulfills the need of a familial relationship.

(c) "Set of participants" means a youth aged 18 to 24 and (1) an adult host who is the youth's chosen family and with whom the youth is living in an intergenerational hosting arrangement to avoid being homeless, or (2) a relative with whom the youth is living to avoid being homeless.

Subd. 3. **Administration.** (a) The commissioner of human services, as authorized by Minnesota Statutes, section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with a technical assistance provider to:

(1) provide technical assistance to funding recipients;

(2) facilitate a monthly learning cohort for funding recipients;

(3) evaluate the efficacy and cost-effectiveness of the pilot program; and

(4) submit annual updates and a final report to the commissioner.

(b) When developing the criteria for awarding funds, the commissioner must include a requirement that all funding recipients:

(1) partner with sets of participants, with a case manager caseload consistent with existing norms for homeless youth;

(2) mediate agreements within each set of participants about shared expectations regarding the living arrangement;

(3) provide monthly stipends to sets of participants to offset the costs created by the living arrangement;

(4) connect sets of participants to community resources;

(5) if the adult host is a renter, help facilitate ongoing communication between the property owner and adult host;

(6) offer strategies to address barriers faced by adult hosts who are renters;

(7) assist the youth in identifying and strengthening their circle of support, giving focused attention to adults who can serve as permanent connections and provide ongoing support throughout the youth's life; and

(8) actively participate in monthly cohort meetings.

Subd. 4. **Technical assistance provider.** The commissioner must select a technical assistance provider to provide assistance to funding recipients. In order to be selected, the technical assistance provider must:

(1) have in-depth experience with research on and evaluation of youth homelessness from a holistic perspective that addresses the four core outcomes developed by the United States Interagency Council on Homelessness to prevent and end youth homelessness;

(2) offer education and have previous experience providing technical assistance on supporting chosen family hosting arrangements to organizations that serve homeless youth;

(3) have expertise on how to address barriers faced by chosen family hosts who are renters; and

(4) be located in Minnesota.

Subd. 5. **Eligible applicants.** To be eligible for funding under this section, an applicant must be a provider serving homeless youth in Minnesota. The money must be awarded to funding recipients beginning no later than March 31, 2023.

Subd. 6. **Applications.** Providers seeking funding under this section shall apply to the commissioner. The applicant must include a description of the project that the applicant is proposing, the amount of money that the applicant is seeking, and a proposed budget describing how the applicant will spend the money.

Subd. 7. **Reporting.** The technical assistance provider must submit annual updates and a final report to the commissioner in a manner specified by the commissioner on the technical assistance provider's findings regarding the efficacy and cost-effectiveness of the pilot program.

Sec. 41. **DIRECTION TO COMMISSIONER; INCOME AND ASSET EXCLUSION FOR LOCAL GUARANTEED INCOME DEMONSTRATION PROJECTS.**

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

(b) "Commissioner" means the commissioner of human services unless specified otherwise.

(c) "Guaranteed income demonstration project" means a local demonstration project to evaluate how unconditional cash payments have a causal effect on income volatility, financial well-being, and early childhood development in infants and toddlers.

Subd. 2. **Commissioner; income and asset exclusion.** (a) During the duration of the guaranteed income demonstration project, the commissioner shall not count payments made to families by the guaranteed income demonstration project as income or assets for purposes of determining or redetermining eligibility for the following programs:

(1) child care assistance programs under Minnesota Statutes, chapter 119B; and

(2) the Minnesota family investment program, work benefit program, or diversionary work program under Minnesota Statutes, chapter 256J.

(b) During the duration of the guaranteed income demonstration project, the commissioner shall not count payments made to families by the guaranteed income demonstration project as income or assets for purposes of determining or redetermining eligibility for the following programs:

(1) medical assistance under Minnesota Statutes, chapter 256B; and

(2) MinnesotaCare under Minnesota Statutes, chapter 256L.

EFFECTIVE DATE. This section is effective July 1, 2022, except for subdivision 2, paragraph (b), which is effective July 1, 2022, or upon federal approval, whichever is later.

Sec. 42. **REPEALER.**

(a) Minnesota Statutes 2020, sections 256J.08, subdivisions 10, 61, 62, 81, and 83; 256J.30, subdivisions 5 and 7; 256J.33, subdivisions 3 and 5; 256J.34, subdivisions 1, 2, 3, and 4; and 256J.37, subdivision 10, are repealed.

(b) Minnesota Statutes 2021 Supplement, sections 256J.08, subdivision 53; 256J.30, subdivision 8; and 256J.33, subdivision 4, are repealed.

EFFECTIVE DATE. This section is effective March 1, 2024, except the repeal of Minnesota Statutes 2020, sections 256J.08, subdivision 62, and 256J.37, subdivision 10, and Minnesota Statutes 2021 Supplement, section 256J.08, subdivision 53, is effective July 1, 2023.

ARTICLE 10
DIRECT CARE AND TREATMENT POLICY

Section 1. Minnesota Statutes 2020, 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 commissioner, 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 shall remain in a secure treatment facility. The committed person shall 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 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.

(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 shall be immediately returned to a secure treatment facility. A report documenting the reasons for revocation shall 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 shall be served upon the committed person, the committed person's counsel, and the designated agency. The report shall 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 shall 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 whether or not the revocation shall be upheld. The special review board may also recommend a new transfer out of a secure facility at the time of the revocation hearing.

Sec. 2. Minnesota Statutes 2021 Supplement, section 256.01, subdivision 42, is amended to read:

Subd. 42. **Expiration of report mandates.** (a) If the submission of a report by the commissioner of human services to the legislature is mandated by statute and the enabling legislation does not include a date for the submission of a final report or an expiration date, the mandate to submit the report shall expire in accordance with this section.

(b) If the mandate requires the submission of an annual or more frequent report and the mandate was enacted before January 1, 2021, the mandate shall expire on January 1, 2023. If the mandate requires the submission of a biennial or less frequent report and the mandate was enacted before January 1, 2021, the mandate shall expire on January 1, 2024.

(c) Any reporting mandate enacted on or after January 1, 2021, shall expire three years after the date of enactment if the mandate requires the submission of an annual or more frequent report and shall expire five years after the date of enactment if the mandate requires the submission of a biennial or less frequent report unless the enacting legislation provides for a different expiration date.

(d) By January 15 of each year, the commissioner shall submit a list ~~to the chairs and ranking minority members of the legislative committees with jurisdiction over human services by February 15 of each year, beginning February 15, 2022,~~ of all reports set to expire during the following calendar year ~~in accordance with this section~~ to the chairs and ranking minority members of the legislative committees with jurisdiction over human services. Notwithstanding paragraph (c), this paragraph does not expire.

Sec. 3. Laws 2009, chapter 79, article 13, section 3, subdivision 10, as amended by Laws 2009, chapter 173, article 2, section 1, is amended to read:

Subd. 10. **State-Operated Services**

The amounts that may be spent from the appropriation for each purpose are as follows:

Transfer Authority Related to State-Operated Services. Money appropriated to finance state-operated services may be transferred between the fiscal years of the biennium with the approval of the commissioner of finance.

County Past Due Receivables. The commissioner is authorized to withhold county federal administrative reimbursement when the county of financial responsibility for cost-of-care payments due the state under Minnesota Statutes, section 246.54 or 253B.045, is 90 days past due. The commissioner shall deposit the withheld federal administrative earnings for the county into the general fund to settle the claims with the county of financial responsibility. The process for withholding funds is governed by Minnesota Statutes, section 256.017.

Forecast and Census Data. The commissioner shall include census data and fiscal projections for state-operated services and Minnesota sex offender services with the ~~November and~~ February budget ~~forecasts. Notwithstanding any contrary provision in this article, this paragraph shall not expire~~ forecast.

(a) Adult Mental Health Services 106,702,000 107,201,000

Appropriation Limitation. No part of the appropriation in this article to the commissioner for mental health treatment services provided by state-operated services shall be used for the Minnesota sex offender program.

Community Behavioral Health Hospitals. Under Minnesota Statutes, section 246.51, subdivision 1, a determination order for the clients served in a community behavioral health hospital operated by the commissioner of human services is only required when a client's third-party coverage has been exhausted.

Base Adjustment. The general fund base is decreased by $500,000 for fiscal year 2012 and by $500,000 for fiscal year 2013.

(b) Minnesota Sex Offender Services

	Appropriations by Fund	
General	38,348,000	67,503,000
Federal Fund	26,495,000	0

Use of Federal Stabilization Funds. Of this appropriation, $26,495,000 in fiscal year 2010 is from the fiscal stabilization account in the federal fund to the commissioner. This appropriation must not be used for any activity or service for which federal reimbursement is claimed. This is a onetime appropriation.

(c) Minnesota Security Hospital and METO Services

	Appropriations by Fund	
General	230,000	83,735,000
Federal Fund	83,505,000	0

Minnesota Security Hospital. For the purposes of enhancing the safety of the public, improving supervision, and enhancing community-based mental health treatment, state-operated services may establish additional community capacity for providing treatment and supervision of clients who have been ordered into a less restrictive alternative of care from the state-operated services transitional services program consistent with Minnesota Statutes, section 246.014.

Use of Federal Stabilization Funds. $83,505,000 in fiscal year 2010 is appropriated from the fiscal stabilization account in the federal fund to the commissioner. This appropriation must not be used for any activity or service for which federal reimbursement is claimed. This is a onetime appropriation.

Sec. 4. **REPEALER.**

Minnesota Statutes 2020, sections 246.0136; 252.025, subdivision 7; and 252.035, are repealed.

ARTICLE 11
PREVENTING HOMELESSNESS

Section 1. Minnesota Statutes 2020, section 145.4716, is amended by adding a subdivision to read:

Subd. 4. **Funding.** The commissioner must prioritize providing trauma-informed, culturally inclusive services for sexually exploited youth or youth at risk of sexual exploitation under this section.

Sec. 2. Minnesota Statutes 2020, section 256E.33, subdivision 1, is amended to read:

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

(b) "Transitional housing" means housing designed for independent living and provided to a homeless person or family at a rental rate of at least 25 percent of the family income for a period of up to ~~24~~ 36 months. If a transitional housing program is associated with a licensed facility or shelter, it must be located in a separate facility or a specified section of the main facility where residents can be responsible for their own meals and other daily needs.

(c) "Support services" means an assessment service that identifies the needs of individuals for independent living and arranges or provides for the appropriate educational, social, legal, advocacy, child care, employment, financial, health care, or information and referral services to meet these needs.

Sec. 3. Minnesota Statutes 2020, section 256E.33, subdivision 2, is amended to read:

Subd. 2. **Establishment and administration.** A transitional housing program is established to be administered by the commissioner. The commissioner may make grants to eligible recipients or enter into agreements with community action agencies or other public or private nonprofit agencies to make grants to eligible recipients to initiate, maintain, or expand programs to provide transitional housing and support services for persons in need of transitional housing, which may include up to six months of follow-up support services for persons who complete transitional housing as they stabilize in permanent housing. The commissioner must ensure that money appropriated to implement this section is distributed as soon as practicable. The commissioner may make grants directly to eligible recipients. The commissioner may extend use ~~up to ten percent of the appropriation available for~~ of this program for persons needing assistance longer than ~~24~~ 36 months.

Sec. 4. Minnesota Statutes 2020, section 256I.03, subdivision 7, is amended to read:

Subd. 7. **Countable income.** "Countable income" means all income received by an applicant or recipient as described under section 256P.06, less any applicable exclusions or disregards. For a recipient of any cash benefit from the SSI program who does not live in a setting as described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income means the SSI benefit limit in effect at the time the person is a recipient of housing support, less the medical assistance personal needs allowance under section 256B.35. ~~If the SSI limit or benefit is reduced for a person due to events other than receipt of additional income, countable income means actual income less any applicable exclusions and disregards.~~ If there is a reduction in a housing support recipient's benefit due to circumstances other than receipt of additional income, applicable exclusions and disregards apply when determining countable income. For a recipient of any cash benefit from the RSDI program, SSI program, or veterans' programs who lives in a setting as described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income means 30 percent of the recipient's total benefit amount from these programs, after applicable exclusions or disregards, at the time the person is a recipient of housing support. For these recipients, the medical assistance personal needs allowance, as described in section 256I.04, subdivision 1, paragraph (a), clause (2), does not apply.

Sec. 5. Minnesota Statutes 2020, section 256K.45, is amended by adding a subdivision to read:

Subd. 7. **Awarding of grants.** (a) Grants shall be awarded under this section only after a review of the grant recipient's application materials, including past performance and utilization of grant money. The commissioner shall not reduce an existing grant award amount unless the commissioner first determines that the grant recipient has failed to meet performance measures or has used grant money improperly.

(b) For grants awarded pursuant to a two-year grant contract, the commissioner shall permit grant recipients to carry over any unexpended amount from the first contract year to the second contract year.

Sec. 6. Laws 2021, First Special Session chapter 8, article 6, section 1, subdivision 7, is amended to read:

Subd. 7. **Report.** (a) No later than February 1, 2022, the task force shall submit an initial report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over housing and preventing homelessness on its findings and recommendations.

(b) No later than ~~August 31, 2022~~ December 15, 2022, the task force shall submit a final report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over housing and preventing homelessness on its findings and recommendations.

Sec. 7. **PREGNANT AND PARENTING HOMELESS YOUTH STUDY.**

(a) The commissioner of human services must conduct a study of the prevalence of pregnancy and parenting among homeless youth and youth who are at risk of homelessness.

(b) The commissioner shall submit a final report by December 31, 2023, to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy.

Sec. 8. **SEXUAL EXPLOITATION AND TRAFFICKING STUDY.**

(a) The commissioner of health must conduct a prevalence study on youth and adult victim survivors of sexual exploitation and trafficking.

(b) The commissioner shall submit a final report by June 30, 2024, to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy.

Sec. 9. **EMERGENCY SHELTER FACILITIES.**

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code, or housing and redevelopment authority established under Minnesota Statutes, section 469.003.

(d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and families experiencing homelessness, regardless of whether the facility provides emergency shelter during the day, overnight, or both.

Subd. 2. **Project criteria.** (a) The commissioner shall prioritize grants under this section for projects that improve or expand emergency shelter facility options by:

(1) adding additional emergency shelter facilities by renovating existing facilities not currently operating as emergency shelter facilities;

(2) adding additional emergency shelter facility beds by renovating existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure;

(3) adding additional emergency shelter facility beds through acquisition and construction of new emergency shelter facilities; and

(4) improving the safety, sanitation, accessibility, and habitability of existing emergency shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and components in danger of failure.

(b) A grant under this section may be used to pay for 100 percent of total project capital expenditures, or a specified project phase, up to $10,000,000 per project.

(c) All projects funded with a grant under this section must meet all applicable state and local building codes at the time of project completion.

(d) The commissioner must use a competitive request for proposal process to identify potential projects and eligible applicants on a statewide basis.

EFFECTIVE DATE. This section is effective July 1, 2022.

ARTICLE 12
DHS LICENSING AND OPERATIONS POLICY

Section 1. Minnesota Statutes 2020, section 245A.07, subdivision 2a, is amended to read:

Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 245A.08, regarding a licensing sanction issued under subdivision 3 following the immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that reasonable cause exists to believe that the license holder's actions or failure to comply with applicable law or rule poses, or the actions of other individuals or conditions in the program poses an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations. For suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that, since the license was revoked, the license holder committed additional violations of law or rule which may adversely affect the health or safety of persons served by the program.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten working days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten working days from the close of the record. When an appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days after an immediate suspension has been issued and the license holder has not submitted a timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final order affirming an immediate suspension, the commissioner shall ~~make a determination regarding~~ determine:

(1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a), clauses (1) to (5). The license holder shall continue to be prohibited from operation of the program during this 90-day period~~.~~; or

(2) whether the outcome of related, ongoing investigations or judicial proceedings are necessary to determine if a final licensing sanction under subdivision 3, paragraph (a), clauses (1) to (5), will be issued, and persons served by the program remain at an imminent risk of harm during the investigation period or proceedings. If so, the commissioner shall issue a suspension in accordance with subdivision 3.

(c) When the final order under paragraph (b) affirms an immediate suspension or the license holder does not submit a timely appeal of the immediate suspension, and a final licensing sanction is issued under subdivision 3 and the license holder appeals that sanction, the license holder continues to be prohibited from operation of the program pending a final commissioner's order under section 245A.08, subdivision 5, regarding the final licensing sanction.

(d) The license holder shall continue to be prohibited from operation of the program while a suspension order issued under paragraph (b), clause (2), remains in effect.

~~(d)~~ (e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that a criminal complaint and warrant or summons was issued for the license holder that was not dismissed, and that the criminal charge is an offense that involves fraud or theft against a program administered by the commissioner.

Sec. 2. Minnesota Statutes 2020, section 245A.07, subdivision 3, is amended to read:

Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095; ~~or~~

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d)~~.~~; or

(6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail or personal service. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail or personal service that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit $1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit $5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed $1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit $200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

(v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

Sec. 3. Minnesota Statutes 2020, section 245F.15, subdivision 1, is amended to read:

Subdivision 1. **Qualifications for all staff who have direct patient contact.** ~~(a)~~ All staff who have direct patient contact must be at least 18 years of age ~~and must, at the time of hiring, document that they meet the requirements in paragraph (b), (c), or (d)~~.

~~(b) Program directors, supervisors, nurses, and alcohol and drug counselors must be free of substance use problems for at least two years immediately preceding their hiring and must sign a statement attesting to that fact.~~

~~(c) Recovery peers must be free of substance use problems for at least one year immediately preceding their hiring and must sign a statement attesting to that fact.~~

~~(d) Technicians and other support staff must be free of substance use problems for at least six months immediately preceding their hiring and must sign a statement attesting to that fact.~~

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 4. Minnesota Statutes 2020, section 245F.16, subdivision 1, is amended to read:

Subdivision 1. **Policy requirements.** A license holder must have written personnel policies and must make them available to staff members at all times. The personnel policies must:

(1) ensure that a staff member's retention, promotion, job assignment, or pay are not affected by a good-faith communication between the staff member and the Department of Human Services, Department of Health, Ombudsman for Mental Health and Developmental Disabilities, law enforcement, or local agencies that investigate complaints regarding patient rights, health, or safety;

(2) include a job description for each position that specifies job responsibilities, degree of authority to execute job responsibilities, standards of job performance related to specified job responsibilities, and qualifications;

(3) provide for written job performance evaluations for staff members of the license holder at least annually;

(4) describe ~~behavior that constitutes grounds~~ the process for disciplinary action, suspension, or dismissal~~, including policies that address substance use problems and meet the requirements of section 245F.15, subdivisions 1 and 2. The policies and procedures must list behaviors or incidents that are considered substance use problems. The list must include:~~ of a staff person for violating the drug and alcohol policy described in section 245A.04, subdivision 1, paragraph (c);

~~(i) receiving treatment for substance use disorder within the period specified for the position in the staff qualification requirements;~~

~~(ii) substance use that has a negative impact on the staff member's job performance;~~

~~(iii) substance use that affects the credibility of treatment services with patients, referral sources, or other members of the community; and~~

~~(iv) symptoms of intoxication or withdrawal on the job;~~

(5) include policies prohibiting personal involvement with patients and policies prohibiting patient maltreatment as specified under sections 245A.65, 626.557, and 626.5572 and chapters 260E and 604;

(6) include a chart or description of organizational structure indicating the lines of authority and responsibilities;

(7) include a written plan for new staff member orientation that, at a minimum, includes training related to the specific job functions for which the staff member was hired, program policies and procedures, patient needs, and the areas identified in subdivision 2, paragraphs (b) to (e); and

(8) include a policy on the confidentiality of patient information.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 5. Minnesota Statutes 2020, section 245G.01, subdivision 4, is amended to read:

Subd. 4. **Alcohol and drug counselor.** "Alcohol and drug counselor" ~~has the meaning given in section 148F.01, subdivision 5~~ means a person who is qualified according to section 245G.11, subdivision 5.

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

Sec. 6. Minnesota Statutes 2020, section 245G.01, subdivision 17, is amended to read:

Subd. 17. **Licensed professional in private practice.** (a) "Licensed professional in private practice" means an individual who:

(1) is licensed under chapter 148F, or is exempt from licensure under that chapter but is otherwise licensed to provide alcohol and drug counseling services;

(2) practices solely within the permissible scope of the individual's license as defined in the law authorizing licensure; and

(3) does not affiliate with other licensed or unlicensed professionals to provide alcohol and drug counseling services. ~~Affiliation does not include conferring with another professional or making a client referral.~~

(b) For purposes of this subdivision, affiliate includes but is not limited to:

(1) using the same electronic record system as another professional, except when the system prohibits each professional from accessing the records of another professional;

(2) advertising the services of more than one professional together;

(3) accepting client referrals made to a group of professionals;

(4) providing services to another professional's clients when that professional is absent; or

(5) appearing in any way to be a group practice or program.

(c) For purposes of this subdivision, affiliate does not include:

(1) conferring with another professional;

(2) making a client referral to another professional;

(3) contracting with the same agency as another professional for billing services;

(4) using the same waiting area for clients in an office as another professional; or

(5) using the same receptionist as another professional if the receptionist supports each professional independently.

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

Sec. 7. Minnesota Statutes 2020, section 245G.06, is amended by adding a subdivision 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.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 8. Minnesota Statutes 2020, section 245G.06, is amended by adding a subdivision to read:

Subd. 2b. **Client record documentation requirements.** (a) The license holder must document in the client record any significant event that occurs at the program on the day the event occurs. A significant event is an event that impacts the client's relationship with other clients, staff, or the client's family, or the client's treatment plan.

(b) A residential treatment program must document in the client record the following items on the day that each occurs:

(1) medical and other appointments the client attended;

(2) concerns related to medications that are not documented in the medication administration record; and

(3) concerns related to attendance for treatment services, including the reason for any client absence from a treatment service.

(c) Each entry in a client's record must be accurate, legible, signed, dated, and include the job title or position of the staff person that made the entry. A late entry must be clearly labeled "late entry." A correction to an entry must be made in a way in which the original entry can still be read.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 9. Minnesota Statutes 2020, section 245G.06, subdivision 3, is amended to read:

Subd. 3. ~~**Documentation of treatment services;**~~ **Treatment plan review.** ~~(a) A review of all treatment services must be documented weekly and include a review of:~~

~~(1) care coordination activities;~~

~~(2) medical and other appointments the client attended;~~

~~(3) issues related to medications that are not documented in the medication administration record; and~~

~~(4) issues related to attendance for treatment services, including the reason for any client absence from a treatment service.~~

~~(b) A note must be entered immediately following any significant event. A significant event is an event that impacts the client's relationship with other clients, staff, the client's family, or the client's treatment plan.~~

~~(c)~~ A treatment plan review must be entered in a client's file weekly or after each treatment service, whichever is less frequent, by the ~~staff member providing the service~~ alcohol and drug counselor responsible for the client's treatment plan. The review must indicate the span of time covered by the review and each of the six dimensions listed in section 245G.05, subdivision 2, paragraph (c). The review must:

~~(1) indicate the date, type, and amount of each treatment service provided and the client's response to each service;~~

~~(2)~~ (1) address each goal in the treatment plan and whether the methods to address the goals are effective;

~~(3)~~ (2) include monitoring of any physical and mental health problems;

~~(4)~~ (3) document the participation of others;

~~(5)~~ (4) document staff recommendations for changes in the methods identified in the treatment plan and whether the client agrees with the change; and

~~(6)~~ (5) include a review and evaluation of the individual abuse prevention plan according to section 245A.65.

~~(d) Each entry in a client's record must be accurate, legible, signed, and dated. A late entry must be clearly labeled "late entry." A correction to an entry must be made in a way in which the original entry can still be read.~~

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 10. Minnesota Statutes 2020, section 245G.08, subdivision 5, is amended to read:

Subd. 5. **Administration of medication and assistance with self-medication.** (a) A license holder must meet the requirements in this subdivision if a service provided includes the administration of medication.

(b) A staff member, other than a licensed practitioner or nurse, who is delegated by a licensed practitioner or a registered nurse the task of administration of medication or assisting with self-medication, must:

(1) successfully complete a medication administration training program for unlicensed personnel through an accredited Minnesota postsecondary educational institution. A staff member's completion of the course must be documented in writing and placed in the staff member's personnel file;

(2) be trained according to a formalized training program that is taught by a registered nurse and offered by the license holder. The training must include the process for administration of naloxone, if naloxone is kept on site. A staff member's completion of the training must be documented in writing and placed in the staff member's personnel records; or

(3) demonstrate to a registered nurse competency to perform the delegated activity. A registered nurse must be employed or contracted to develop the policies and procedures for administration of medication or assisting with self-administration of medication, or both.

(c) A registered nurse must provide supervision as defined in section 148.171, subdivision 23. The registered nurse's supervision must include, at a minimum, monthly on-site supervision or more often if warranted by a client's health needs. The policies and procedures must include:

(1) a provision that a delegation of administration of medication is limited to a method a staff member has been trained to administer and limited to ~~the administration of~~:

(i) a medication that is administered orally, topically, or as a suppository, an eye drop, an ear drop, ~~or~~ an inhalant, or an intranasal; and

(ii) an intramuscular injection of naloxone or epinephrine;

(2) a provision that each client's file must include documentation indicating whether staff must conduct the administration of medication or the client must self-administer medication, or both;

(3) a provision that a client may carry emergency medication such as nitroglycerin as instructed by the client's physician or advanced practice registered nurse;

(4) a provision for the client to self-administer medication when a client is scheduled to be away from the facility;

(5) a provision that if a client self-administers medication when the client is present in the facility, the client must self-administer medication under the observation of a trained staff member;

(6) a provision that when a license holder serves a client who is a parent with a child, the parent may only administer medication to the child under a staff member's supervision;

(7) requirements for recording the client's use of medication, including staff signatures with date and time;

(8) guidelines for when to inform a nurse of problems with self-administration of medication, including a client's failure to administer, refusal of a medication, adverse reaction, or error; and

(9) procedures for acceptance, documentation, and implementation of a prescription, whether written, verbal, telephonic, or electronic.

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

Sec. 11. Minnesota Statutes 2020, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** Client records must contain the following:

(1) documentation that the client was given information on client rights and responsibilities, grievance procedures, tuberculosis, and HIV, and that the client was provided 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 educational information according to section 245G.05, subdivision 1, paragraph (b);

(2) an initial services plan completed according to section 245G.04;

(3) a comprehensive assessment completed according to section 245G.05;

(4) an assessment summary completed according to section 245G.05, subdivision 2;

(5) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;

(6) an individual treatment plan according to section 245G.06, subdivisions 1 and 2;

(7) documentation of treatment services, significant events, appointments, concerns, and treatment plan ~~review~~ reviews according to section 245G.06, ~~subdivision~~ subdivisions 2a, 2b, and 3; and

(8) a summary at the time of service termination according to section 245G.06, subdivision 4.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 12. Minnesota Statutes 2020, section 245G.11, subdivision 1, is amended to read:

Subdivision 1. **General qualifications.** (a) All staff members who have direct contact must be 18 years of age or older. ~~At the time of employment, each staff member must meet the qualifications in this subdivision. For purposes of this subdivision, "problematic substance use" means a behavior or incident listed by the license holder in the personnel policies and procedures according to section 245G.13, subdivision 1, clause (5).~~

~~(b) A treatment director, supervisor, nurse, counselor, student intern, or other professional must be free of problematic substance use for at least the two years immediately preceding employment and must sign a statement attesting to that fact.~~

~~(c) A paraprofessional, recovery peer, or any other staff member with direct contact must be free of problematic substance use for at least one year immediately preceding employment and must sign a statement attesting to that fact.~~

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 13. Minnesota Statutes 2020, section 245G.11, subdivision 10, is amended to read:

Subd. 10. **Student interns.** A qualified staff member must supervise and be responsible for a treatment service performed by a student intern and must review and sign each assessment, ~~progress note, and~~ individual treatment plan, and treatment plan review prepared by a student intern. A student intern must receive the orientation and training required in section 245G.13, subdivisions 1, clause (7), and 2. No more than 50 percent of the treatment staff may be students or licensing candidates with time documented to be directly related to the provision of treatment services for which the staff are authorized.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 14. Minnesota Statutes 2020, section 245G.13, subdivision 1, is amended to read:

Subdivision 1. **Personnel policy requirements.** A license holder must have written personnel policies that are available to each staff member. The personnel policies must:

(1) ensure that staff member retention, promotion, job assignment, or pay are not affected by a good faith communication between a staff member and the department, the Department of Health, the ombudsman for mental health and developmental disabilities, law enforcement, or a local agency for the investigation of a complaint regarding a client's rights, health, or safety;

(2) contain a job description for each staff member position specifying responsibilities, degree of authority to execute job responsibilities, and qualification requirements;

(3) provide for a job performance evaluation based on standards of job performance conducted on a regular and continuing basis, including a written annual review;

(4) describe behavior that constitutes grounds for disciplinary action, suspension, or dismissal, including ~~policies that address staff member problematic substance use and the requirements of section 245G.11, subdivision 1,~~ policies prohibiting personal involvement with a client in violation of chapter 604, and policies prohibiting client abuse described in sections 245A.65, 626.557, and 626.5572, and chapter 260E;

~~(5) identify how the program will identify whether behaviors or incidents are problematic substance use, including a description of how the facility must address:~~

~~(i) receiving treatment for substance use within the period specified for the position in the staff qualification requirements, including medication-assisted treatment;~~

~~(ii) substance use that negatively impacts the staff member's job performance;~~

~~(iii) substance use that affects the credibility of treatment services with a client, referral source, or other member of the community;~~

~~(iv) symptoms of intoxication or withdrawal on the job; and~~

~~(v) the circumstances under which an individual who participates in monitoring by the health professional services program for a substance use or mental health disorder is able to provide services to the program's clients;~~

(5) describe the process for disciplinary action, suspension, or dismissal of a staff person for violating the drug and alcohol policy described in section 245A.04, subdivision 1, paragraph (c);

(6) include a chart or description of the organizational structure indicating lines of authority and responsibilities;

(7) include orientation within 24 working hours of starting for each new staff member based on a written plan that, at a minimum, must provide training related to the staff member's specific job responsibilities, policies and procedures, client confidentiality, HIV minimum standards, and client needs; and

(8) include policies outlining the license holder's response to a staff member with a behavior problem that interferes with the provision of treatment service.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 15. Minnesota Statutes 2020, section 245G.20, is amended to read:

245G.20 LICENSE HOLDERS SERVING PERSONS WITH CO-OCCURRING DISORDERS.

A license holder specializing in the treatment of a person with co-occurring disorders must:

(1) demonstrate that staff levels are appropriate for treating a client with a co-occurring disorder, and that there are adequate staff members with mental health training;

(2) have continuing access to a medical provider with appropriate expertise in prescribing psychotropic medication;

(3) have a mental health professional available for staff member supervision and consultation;

(4) determine group size, structure, and content considering the special needs of a client with a co-occurring disorder;

(5) have documentation of active interventions to stabilize mental health symptoms present in the individual treatment plans and ~~progress notes~~ treatment plan reviews;

(6) have continuing documentation of collaboration with continuing care mental health providers, and involvement of the providers in treatment planning meetings;

(7) have available program materials adapted to a client with a mental health problem;

(8) have policies that provide flexibility for a client who may lapse in treatment or may have difficulty adhering to established treatment rules as a result of a mental illness, with the goal of helping a client successfully complete treatment; and

(9) have individual psychotherapy and case management available during treatment service.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 16. Minnesota Statutes 2020, section 245G.22, subdivision 7, is amended to read:

Subd. 7. **Restrictions for unsupervised use of methadone hydrochloride.** (a) If a medical director or prescribing practitioner assesses and determines that a client meets the criteria in subdivision 6 and may be dispensed a medication used for the treatment of opioid addiction, the restrictions in this subdivision must be followed when the medication to be dispensed is methadone hydrochloride. The results of the assessment must be contained in the client file. The number of unsupervised use medication doses per week in paragraphs (b) to (d) is in addition to the number of unsupervised use medication doses a client may receive for days the clinic is closed for business as allowed by subdivision 6, paragraph (a).

(b) During the first 90 days of treatment, the unsupervised use medication supply must be limited to a maximum of a single dose each week and the client shall ingest all other doses under direct supervision.

(c) In the second 90 days of treatment, the unsupervised use medication supply must be limited to two doses per week.

(d) In the third 90 days of treatment, the unsupervised use medication supply must not exceed three doses per week.

(e) In the remaining months of the first year, a client may be given a maximum six-day unsupervised use medication supply.

(f) After one year of continuous treatment, a client may be given a maximum two-week unsupervised use medication supply.

(g) After two years of continuous treatment, a client may be given a maximum one-month unsupervised use medication supply, but must make monthly visits to the program.

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

Sec. 17. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; AMENDING CHILDREN'S RESIDENTIAL FACILITY AND DETOXIFICATION PROGRAM RULES.**

(a) The commissioner of human services must amend Minnesota Rules, part 2960.0460, to remove all references to repealed Minnesota Rules, part 2960.0460, subpart 2.

(b) The commissioner must amend Minnesota Rules, part 2960.0470, to require license holders to have written personnel policies that describe the process for disciplinary action, suspension, or dismissal of a staff person for violating the drug and alcohol policy described in Minnesota Statutes, section 245A.04, subdivision 1, paragraph (c), and Minnesota Rules, part 2960.0030, subpart 9.

(c) The commissioner must amend Minnesota Rules, part 9530.6565, subpart 1, to remove items A and B and the documentation requirement that references these items.

(d) The commissioner must amend Minnesota Rules, part 9530.6570, subpart 1, item D, to remove the existing language and insert language to require license holders to have written personnel policies that describe the process for disciplinary action, suspension, or dismissal of a staff person for violating the drug and alcohol policy described in Minnesota Statutes, section 245A.04, subdivision 1, paragraph (c).

(e) For purposes of this section, the commissioner may use the good cause exempt process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply.

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

Sec. 18. **REPEALER.**

(a) Minnesota Statutes 2020, sections 245F.15, subdivision 2; and 245G.11, subdivision 2, are repealed.

(b) Minnesota Rules, parts 2960.0460, subpart 2; and 9530.6565, subpart 2, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2023.

ARTICLE 13
OPIOID SETTLEMENT

Section 1. **[3.757] RELEASE OF OPIOID-RELATED CLAIMS.**

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 Johnson & Johnson, AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation, 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 marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

Subd. 2. **Release of claims.** (a) No municipality shall have the authority to assert, file, or enforce a released claim against a settling defendant.

(b) Any claim in pending opioid litigation filed by a municipality against a settling defendant that is within the scope of a released claim is extinguished by operation of law.

(c) The attorney general shall have authority to appear or intervene in opioid litigation where a municipality has asserted, filed, or enforced a released claim against a settling defendant and release with prejudice any released claims.

(d) This section does not limit any causes of action, claims, or remedies, nor the authority to assert, file, or enforce such causes of action, claims, or remedies, by a party other than a municipality.

(e) This section does not limit any causes of action, claims, or remedies, nor the authority to assert, file, or enforce such causes of action, claims, or remedies by a municipality against entities and individuals other than a released claim against a settling defendant.

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

Sec. 2. Minnesota Statutes 2021 Supplement, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in ~~a separate account in the state treasury and the commissioner shall notify the chairs and ranking minority members of the Finance Committee in the senate and the Ways and Means Committee in the house of representatives that an account has been created. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of this account shall be credited to the account~~ the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys. ~~If the licensing fees under section 151.065, subdivision 1, clause (16), and subdivision 3, clause (14), are reduced and the registration fee under section 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, then the commissioner shall transfer from the separate account created in this paragraph to the opiate epidemic response fund under section 256.043 an amount that ensures that $20,940,000 each fiscal year is available for distribution in accordance with section 256.043, subdivision 3.~~

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor ~~and deposited into the separate account created under paragraph (f)~~, the commissioner shall ~~annually transfer from the separate account to the opiate epidemic response fund under section 256.043 an amount equal to the estimated amount submitted to the commissioner by the Board of Pharmacy in accordance with section 151.066, subdivision 3, paragraph (b). The amount transferred shall be included in the amount available for distribution in accordance with section 256.043, subdivision 3. This transfer shall occur each year until the registration fee under section 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, or the money deposited in the account in accordance with this paragraph has been transferred, whichever occurs first~~ deposit any money received into the settlement account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph (d).

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

Sec. 3. Minnesota Statutes 2021 Supplement, section 151.066, subdivision 3, is amended to read:

Subd. 3. **Determination of an opiate product registration fee.** (a) The board shall annually assess an opiate product registration fee on any manufacturer of an opiate that annually sells, delivers, or distributes an opiate within or into the state 2,000,000 or more units as reported to the board under subdivision 2.

(b) For purposes of assessing the annual registration fee under this section and determining the number of opiate units a manufacturer sold, delivered, or distributed within or into the state, the board shall not consider any opiate that is used for medication-assisted therapy for substance use disorders. ~~If there is money deposited into the separate account as described in section 16A.151, subdivision 2, paragraph (g), The board shall submit to the commissioner of management and budget an estimate of the difference in the annual fee revenue collected under this section due to this exception.~~

(c) The annual registration fee for each manufacturer meeting the requirement under paragraph (a) is $250,000.

(d) In conjunction with the data reported under this section, and notwithstanding section 152.126, subdivision 6, the board may use the data reported under section 152.126, subdivision 4, to determine which manufacturers meet the requirement under paragraph (a) and are required to pay the registration fees under this subdivision.

(e) By April 1 of each year, beginning April 1, 2020, the board shall notify a manufacturer that the manufacturer meets the requirement in paragraph (a) and is required to pay the annual registration fee in accordance with section 151.252, subdivision 1, paragraph (b).

(f) A manufacturer may dispute the board's determination that the manufacturer must pay the registration fee no later than 30 days after the date of notification. However, the manufacturer must still remit the fee as required by section 151.252, subdivision 1, paragraph (b). The dispute must be filed with the board in the manner and using the forms specified by the board. A manufacturer must submit, with the required forms, data satisfactory to the board that demonstrates that the assessment of the registration fee was incorrect. The board must make a decision concerning a dispute no later than 60 days after receiving the required dispute forms. If the board determines that the manufacturer has satisfactorily demonstrated that the fee was incorrectly assessed, the board must refund the amount paid in error.

(g) For purposes of this subdivision, a unit means the individual dosage form of the particular drug product that is prescribed to the patient. One unit equals one tablet, capsule, patch, syringe, milliliter, or gram.

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

Sec. 4. Minnesota Statutes 2021 Supplement, section 256.042, subdivision 4, is amended to read:

Subd. 4. **Grants.** (a) The commissioner of human services shall submit a report of the grants proposed by the advisory council to be awarded for the upcoming calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, by December 1 of each year, beginning March 1, 2020.

(b) The grants shall be awarded to proposals selected by the advisory council that address the priorities in subdivision 1, paragraph (a), clauses (1) to (4), unless otherwise appropriated by the legislature. The advisory council shall determine grant awards and funding amounts based on the funds appropriated to the commissioner under section 256.043, subdivision 3, paragraph ~~(e)~~ (h), and subdivision 3a, paragraph (d). The commissioner shall award the grants from the opiate epidemic response fund and administer the grants in compliance with section 16B.97. No more than ten percent of the grant amount may be used by a grantee for administration.

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

Sec. 5. Minnesota Statutes 2020, section 256.043, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) The opiate epidemic response fund is established in the state treasury. ~~The registration fees assessed by the Board of Pharmacy under section 151.066 and the license fees identified in section 151.065, subdivision 7, paragraphs (b) and (c), shall be deposited into the fund.~~ The commissioner of management and budget shall establish within the opiate epidemic response fund two accounts: (1) a registration and license fee account; and (2) a settlement account. Beginning in fiscal year 2021, for each fiscal year, the fund shall be administered according to this section.

(b) The commissioner of management and budget shall deposit into the registration and license fee account the registration fee assessed by the Board of Pharmacy under section 151.066 and the license fees identified in section 151.065, subdivision 7, paragraphs (b) and (c).

(c) The commissioner of management and budget shall deposit into the settlement account any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, pursuant to section 16A.151, subdivision 2, paragraph (f).

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

Sec. 6. Minnesota Statutes 2021 Supplement, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from ~~fund~~ registration and license fee account.** (a) The appropriations in paragraphs (b) to (h) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

~~After~~ (b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, ~~paragraph (e), are made, $249,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (e).~~ paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) $300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

(d) $249,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (h).

~~(b)~~ (e) $126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

~~(c)~~ (f) $672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, $384,000 is for drug scientists and lab supplies and $288,000 is for special agent positions focused on drug interdiction and drug trafficking.

~~(d)~~ (g) After the appropriations in paragraphs ~~(a)~~ (b) to ~~(c)~~ (f) are made, 50 percent of the remaining amount is appropriated to the commissioner of human services for distribution to county social service ~~and tribal social service~~ agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to

provide child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to ~~counties and tribal~~ county social service agencies and Tribal social service agency initiative projects based on out-of-home placement episodes where parental drug abuse is the primary reason for the out-of-home placement using data from the previous calendar year. County ~~and tribal~~ social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service ~~agencies~~ agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

~~(e)~~ (h) After ~~making~~ the appropriations in paragraphs ~~(a)~~ (b) to ~~(d)~~ (g) are made, the remaining amount in the ~~fund~~ account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

~~(f)~~ (i) Beginning in fiscal year 2022 and each year thereafter, funds for county social service ~~and tribal social service~~ agencies and Tribal social service agency initiative projects under paragraph ~~(d)~~ (g) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph ~~(e) shall~~ (h) may be distributed on a calendar year basis.

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

Sec. 7. Minnesota Statutes 2020, section 256.043, is amended by adding a subdivision to read:

Subd. 3a. **Appropriations from settlement account.** (a) The appropriations in paragraphs (b) to (e) shall be made from the settlement account on a fiscal year basis in the order specified.

(b) If the balance in the registration and license fee account is not sufficient to fully fund the appropriations specified in subdivision 3, paragraphs (b) to (f), an amount necessary to meet any insufficiency shall be transferred from the settlement account to the registration and license fee account to fully fund the required appropriations.

(c) $209,000 in fiscal year 2023 and $239,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services for the administration of grants awarded under paragraph (e).

(d) After any appropriations necessary under paragraphs (b) and (c) are made, an amount equal to the calendar year allocation to Tribal social service agency initiative projects under subdivision 3, paragraph (g), is appropriated from the settlement account to the commissioner of human services for distribution to Tribal social service agency initiative projects to provide child protection services to children and families who are affected by addiction. The requirements related to proportional distribution, annual reporting, and maintenance of effort specified in subdivision 3, paragraph (g), also apply to the appropriations made under this paragraph.

(e) After making the appropriations in paragraphs (b) to (d), the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042.

(f) Funds for Tribal social service agency initiative projects under paragraph (d) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (e) may be distributed on a calendar year basis.

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

Sec. 8. Minnesota Statutes 2021 Supplement, section 256.043, subdivision 4, is amended to read:

Subd. 4. **Settlement; sunset.** (a) If the state receives a total sum of $250,000,000 either as a result of a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or resulting from a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state, or other alleged illegal actions that contributed to the excessive use of opioids, or from the fees collected under sections 151.065, subdivisions 1 and 3, and 151.066, that are deposited into the opiate epidemic response fund established in this section, or from a combination of both, the fees specified in section 151.065, subdivisions 1, clause (16), and 3, clause (14), shall be reduced to $5,260, and the opiate registration fee in section 151.066, subdivision 3, shall be repealed. For purposes of this paragraph, any money received as a result of a settlement agreement specified in this paragraph and directly allocated or distributed and received by either the state or a municipality as defined in section 466.01, subdivision 1, shall be counted toward determining when the $250,000,000 is reached.

(b) The commissioner of management and budget shall inform the Board of Pharmacy, the governor, and the legislature when the amount specified in paragraph (a) has been reached. The board shall apply the reduced license fee for the next licensure period.

(c) Notwithstanding paragraph (a), the reduction of the license fee in section 151.065, subdivisions 1 and 3, and the repeal of the registration fee in section 151.066 shall not occur before July 1, ~~2024~~ 2031.

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

Sec. 9. Laws 2019, chapter 63, article 3, section 1, as amended by Laws 2020, chapter 115, article 3, section 35, is amended to read:

Section 1. **APPROPRIATIONS.**

(a) **Board of Pharmacy; administration.** $244,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for onetime information technology and operating costs for administration of licensing activities under Minnesota Statutes, section 151.066. This is a onetime appropriation.

(b) **Commissioner of human services; administration.** $309,000 in fiscal year 2020 is appropriated from the general fund and $60,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraphs (f), (g), and (h). The opiate epidemic response fund base for this appropriation is $60,000 in fiscal year 2022, $60,000 in fiscal year 2023, $60,000 in fiscal year 2024, and $0 in fiscal year 2025.

(c) **Board of Pharmacy; administration.** $126,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(d) **Commissioner of public safety; enforcement activities.** $672,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, $384,000 is for drug scientists and lab supplies and $288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(e) **Commissioner of management and budget; evaluation activities.** $300,000 in fiscal year 2020 is appropriated from the general fund and $300,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of management and budget for evaluation activities under Minnesota Statutes, section 256.042, subdivision 1, paragraph (c). ~~The opiate epidemic response fund base for this appropriation is $300,000 in fiscal year 2022, $300,000 in fiscal year 2023, $300,000 in fiscal year 2024, and $0 in fiscal year 2025.~~

(f) **Commissioner of human services; grants for Project ECHO.** $400,000 in fiscal year 2020 is appropriated from the general fund and $400,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for grants of $200,000 to CHI St. Gabriel's Health Family Medical Center for the opioid-focused Project ECHO program and $200,000 to Hennepin Health Care for the opioid-focused Project ECHO program. The opiate epidemic response fund base for this appropriation is $400,000 in fiscal year 2022, $400,000 in fiscal year 2023, $400,000 in fiscal year 2024, and $0 in fiscal year 2025.

(g) **Commissioner of human services; opioid overdose prevention grant.** $100,000 in fiscal year 2020 is appropriated from the general fund and $100,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for a grant to a nonprofit organization that has provided overdose prevention programs to the public in at least 60 counties within the state, for at least three years, has received federal funding before January 1, 2019, and is dedicated to addressing the opioid epidemic. The grant must be used for opioid overdose prevention, community asset mapping, education, and overdose antagonist distribution. The opiate epidemic response fund base for this appropriation is $100,000 in fiscal year 2022, $100,000 in fiscal year 2023, $100,000 in fiscal year 2024, and $0 in fiscal year 2025.

(h) **Commissioner of human services; traditional healing.** $2,000,000 in fiscal year 2020 is appropriated from the general fund and $2,000,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services to award grants to Tribal nations and five urban Indian communities for traditional healing practices to American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce. The opiate epidemic response fund base for this appropriation is $2,000,000 in fiscal year 2022, $2,000,000 in fiscal year 2023, $2,000,000 in fiscal year 2024, and $0 in fiscal year 2025.

(i) **Board of Dentistry; continuing education.** $11,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Dentistry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(j) **Board of Medical Practice; continuing education.** $17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(k) **Board of Nursing; continuing education.** $17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Nursing to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(l) **Board of Optometry; continuing education.** $5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Optometry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(m) **Board of Podiatric Medicine; continuing education.** $5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Podiatric Medicine to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(n) **Commissioner of health; nonnarcotic pain management and wellness.** $1,250,000 is appropriated in fiscal year 2020 from the general fund to the commissioner of health, to provide funding for:

(1) statewide mapping and assessment of community-based nonnarcotic pain management and wellness resources; and

(2) up to five demonstration projects in different geographic areas of the state to provide community-based nonnarcotic pain management and wellness resources to patients and consumers.

The demonstration projects must include an evaluation component and scalability analysis. The commissioner shall award the grant for the statewide mapping and assessment, and the demonstration project grants, through a competitive request for proposal process. Grants for statewide mapping and assessment and demonstration projects may be awarded simultaneously. In awarding demonstration project grants, the commissioner shall give preference to proposals that incorporate innovative community partnerships, are informed and led by people in the community where the project is taking place, and are culturally relevant and delivered by culturally competent providers. This is a onetime appropriation.

(o) **Commissioner of health; administration.** $38,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of health for the administration of the grants awarded in paragraph (n).

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

Sec. 10. Laws 2021, First Special Session chapter 7, article 16, section 12, is amended to read:

Sec. 12. **COMMISSIONER OF MANAGEMENT AND BUDGET** **$300,000** **$ ~~300,000~~ 0**

(a) This appropriation is from the opiate epidemic response fund.

(b) **Evaluation.** $300,000 in fiscal year 2022 ~~and $300,000 in fiscal year 2023~~ is for evaluation activities under Minnesota Statutes, section 256.042, subdivision 1, paragraph (c).

~~(c) **Base Level Adjustment.** The opiate epidemic response fund base is $300,000 in fiscal year 2024 and $300,000 in fiscal year 2025.~~

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

Sec. 11. **TRANSFER; ELIMINATION OF ACCOUNT.**

(a) The commissioner of management and budget shall transfer any money in the separate account established in the state treasury under Minnesota Statutes, section 16A.151, subdivision 2, paragraph (f), to the settlement account in the opiate epidemic response fund established under Minnesota Statutes, section 256.043, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), money transferred into the account under this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the Opiate Epidemic Response Advisory Council in accordance with Minnesota Statutes, section 256.043, subdivision 3a, paragraph (d).

(b) Once the money is transferred as required in paragraph (a), the commissioner of management and budget shall eliminate the separate account established under Minnesota Statutes, section 16A.151, subdivision 2, paragraph (f).

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

ARTICLE 14
FORECAST ADJUSTMENTS

Section 1. **HUMAN SERVICES APPROPRIATION.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2021, First Special Session chapter 7, article 16, from the general fund or any fund named to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

			APPROPRIATIONS Available for the Year Ending June 30	
			2022	**2023**
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**				
Subdivision 1. **Total Appropriation**			**$(585,901,000)**	**$182,791,000**
	Appropriations by Fund			
General Fund	(406,629,000)	185,395,000		
Health Care Access Fund	(86,146,000)	(11,799,000)		
Federal TANF	(93,126,000)	9,195,000		
Subd. 2. **Forecasted Programs**				
(a) **MFIP/DWP**				
	Appropriations by Fund			
General Fund	72,106,000	(14,397,000)		
Federal TANF	(93,126,000)	9,195,000		
(b) **MFIP Child Care Assistance**			(103,347,000)	(73,738,000)
(c) **General Assistance**			(4,175,000)	(1,488,000)
(d) **Minnesota Supplemental Aid**			318,000	1,613,000
(e) **Housing Support**			(1,994,000)	9,257,000
(f) **Northstar Care for Children**			(9,613,000)	(4,865,000)
(g) **MinnesotaCare**			(86,146,000)	(11,799,000)

These appropriations are from the health care access fund.

(h) **Medical Assistance**

	Appropriations by Fund	
General Fund	(348,364,000)	292,880,000
Health Care Access Fund	-0-	-0-

(i) **Alternative Care Program** -0- -0-

(j) **Behavioral Health Fund** (11,560,000) (23,867,000)

Subd. 3. **Technical Activities** -0- -0-

These appropriations are from the federal TANF fund.

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

ARTICLE 15
APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 7, article 16, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2021, First Special Session chapter 7, article 16. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment unless a different effective date is explicit.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$32,461,000** **$315,995,000**

	Appropriations by Fund	
	2022	2023
General	34,397,000	403,270,000
Health Care Access	(1,936,000)	(88,042,000)
Federal TANF	-0-	7,000
Opiate Epidemic Response	-0-	760,000

Subd. 2. **Central Office; Operations**

Appropriations by Fund		
General	397,000	96,320,000
Health Care Access	-0-	13,729,000

(a) **Background Studies.** (1) $1,779,000 in fiscal year 2023 is to provide a credit to providers who paid for emergency background studies in NETStudy 2.0. This is a onetime appropriation.

(2) $1,851,000 in fiscal year 2023 is to fund the costs of reprocessing emergency studies conducted under interagency agreements. This is a onetime appropriation.

(b) **Supporting Drug Pricing Litigation Costs.** $228,000 in fiscal year 2022 is for costs to comply with litigation requirements related to pharmaceutical drug price litigation. This is a onetime appropriation.

(c) **Base Level Adjustment.** The general fund base is increased $11,868,000 in fiscal year 2024 and $9,369,000 in fiscal year 2025. The health care access fund base is increased $1,551,000 in fiscal year 2024 and $1,455,000 in fiscal year 2025.

Subd. 3. **Central Office; Children and Families** -0- 21,992,000

(a) **Foster Care Federal Cash Assistance Benefits Plan.** $373,000 in fiscal year 2023 is for the commissioner to develop the foster care federal cash assistance benefits plan. The base for this appropriation is $342,000 in fiscal year 2024 and $127,000 in fiscal year 2025.

(b) **Commissioner of Education.** $53,000 in fiscal year 2023 is for transfer to the commissioner of education for staffing for the family and community resources hubs. The base for this appropriation is $61,000 in fiscal year 2024 and $61,000 in fiscal year 2025.

(c) **Commissioner of Health.** $53,000 in fiscal year 2023 is for transfer to the commissioner of health for staffing for the family and community resources hubs. The base for this appropriation is $61,000 in fiscal year 2024 and $61,000 in fiscal year 2025.

(d) **Children's Cabinet.** The base shall include $61,000 in fiscal year 2024 and $61,000 in fiscal year 2025 for staffing at the Children's Cabinet at the Department of Management and Budget for the family and community resources hubs.

(e) **Base Level Adjustment.** The general fund base is increased $7,823,000 in fiscal year 2024 and $7,578,000 in fiscal year 2025.

Subd. 4. **Central Office; Health Care**

Appropriations by Fund		
General	-0-	4,500,000
Health Care Access	-0-	2,475,000

(a) **Interactive Voice Response and Improving Access for Applications and Forms.** $1,350,000 in fiscal year 2023 is for the improvement of accessibility to Minnesota health care programs applications, forms, and other consumer support resources and services to enrollees with limited English proficiency. This is a onetime appropriation and is available until June 30, 2025.

(b) **Community-Driven Improvements.** $680,000 in fiscal year 2023 is for Minnesota health care program enrollee engagement activities.

(c) **Responding to COVID-19 in Minnesota Health Care Programs.** $1,000,000 in fiscal year 2023 is for contract assistance relating to the resumption of eligibility and redetermination processes in Minnesota health care programs after the expiration of the federal public health emergency. Contracts entered into under this section are for emergency acquisition and are not subject to solicitation requirements under Minnesota Statutes, section 16C.10, subdivision 2. This is a onetime appropriation and is available until June 30, 2025.

(d) **Initial PACE Implementation Funding.** $270,000 in fiscal year 2023 is from the general fund to complete the initial actuarial and administrative work necessary to recommend a financing mechanism for the operation of PACE under Minnesota Statutes, section 256B.69, subdivision 23, paragraph (e).

(e) **Base Level Adjustment.** The general fund base is increased $3,607,000 in fiscal year 2024 and $5,123,000 in fiscal year 2025. The health care access fund base is increased $4,357,000 in fiscal year 2024 and $7,550,000 in fiscal year 2025.

Subd. 5. **Central Office; Continuing Care** -0- 177,000

(a) **Lifesharing Services.** $57,000 in fiscal year 2023 is for engaging stakeholders and developing recommendations regarding establishing a lifesharing service under the state's medical assistance disability waivers and elderly waiver. The base for this appropriation is $43,000 in fiscal year 2024.

(b) **Initial PACE Implementation Funding.** $120,000 in fiscal year 2023 is to complete the initial actuarial and administrative work necessary to recommend a financing mechanism for the operation of PACE under Minnesota Statutes, section 256B.69, subdivision 23, paragraph (e).

(c) **Base Level Adjustment.** The general fund base is increased $43,000 in fiscal year 2024.

Subd. 6. **Central Office; Community Supports**

Appropriations by Fund

General	-0-	8,531,000
Opioid Epidemic Response	-0-	760,000

(a) **SEIU Health Care Arbitration Award.** $5,444 in fiscal year 2023 is for arbitration awards resulting from a SEIU grievance. This is a onetime appropriation.

(b) **Lifesharing Services.** $57,000 in fiscal year 2023 is from the general fund for engaging stakeholders and developing recommendations regarding establishing a lifesharing service under the state's medical assistance disability waivers and elderly waiver. The general fund base for this appropriation is $43,000 in fiscal year 2024.

(c) **Intermediate Care Facilities for Persons with Developmental Disabilities; Rate Study.** $250,000 in fiscal year 2023 is from the general fund for a study of medical assistance rates for intermediate care facilities for persons with developmental disabilities under Minnesota Statutes, sections 256B.5011 to 256B.5015. This is a onetime appropriation.

(d) **Online tool accessibility and capacity expansion.** $395,000 in fiscal year 2023 is to expand the accessibility and capacity of online tools for people receiving services and direct support workers. The base for this appropriation is $664,000 in fiscal year 2024 and $681,000 in fiscal year 2025.

(e) **Systemic critical incident review team.** $459,000 in fiscal year 2023 is to implement the systemic critical incident review process in Minnesota Statutes, section 256.01, subdivision 12b. The base for this appropriation is $498,000 in fiscal year 2024 and $498,000 in fiscal year 2025.

(f) **Base Level Adjustment.** The general fund base is increased $9,908,000 in fiscal year 2024 and $8,210,000 in fiscal year 2025. The opiate epidemic response base is increased $790,000 in fiscal year 2024 and $790,000 in fiscal year 2025.

Subd. 7. **Forecasted Programs; MFIP/DWP**

Appropriations by Fund

General	-0-	4,000
Federal TANF	-0-	7,000

Subd. 8. **Forecasted Programs; MFIP Child Care Assistance**	-0-	1,000
Subd. 9. **Forecasted Programs; Minnesota Supplemental Aid**	-0-	1,000
Subd. 10. **Forecasted Programs; Housing Supports**	-0-	4,304,000

Subd. 11. **Forecasted Programs; MinnesotaCare**

Appropriations by Fund

General	-0-	(17,943,000)
Health Care Access	-0-	28,724,000

This appropriation is from the health care access fund.

Subd. 12. **Forecasted Programs; Medical Assistance**

Appropriations by Fund

General	-0-	(54,031,000)
Health Care Access	-0-	(136,906,000)

Subd. 13. **Forecasted Programs; Alternative Care**	-0-	530,000
Subd. 14. **Grant Programs; BSF Child Care Grants**	-0-	6,000

Base Level Adjustment. The general fund base is increased $29,000 in fiscal year 2024 and $248,000 in fiscal year 2025.

Subd. 15. **Grant Programs; Child Care Development Grants**	-0-	-0-
Subd. 16. **Grant Programs; Children's Services Grants**	-0-	8,984,000

(a) **American Indian Child Welfare Initiative; Mille Lacs Band of Ojibwe Planning.** $1,263,000 in fiscal year 2023 is to support activities necessary for the Mille Lacs Band of Ojibwe to join the American Indian child welfare initiative.

(b) **Expand Parent Support Outreach Program.** The base shall include $7,000,000 in fiscal year 2024 and $7,000,000 in fiscal year 2025 to expand the parent support outreach program to community-based agencies, public health agencies, and schools to prevent reporting of and entry into the child welfare system.

(c) **Thriving Families Safer Children.** The base shall include $30,000 in fiscal year 2024 to plan for an education attendance support diversionary program to prevent entry into the child

welfare system. The commissioner shall report back to the chairs and ranking minority members of the legislative committees that oversee child welfare by January 1, 2025, on the plan for this program. This is a onetime appropriation.

(d) **Family Group Decision Making.** The base shall include $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025 to expand the use of family group decision making to provide opportunity for family voices concerning critical decisions in child safety and prevent entry into the child welfare system.

(e) **Child Welfare Promising Practices.** The base shall include $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025 to develop promising practices for prevention of out-of-home placement of children and youth.

(f) **Family Assessment Response.** The base shall include $23,550,000 in fiscal year 2024 and $23,550,000 in fiscal year 2025 to support counties and Tribes that are members of the American Indian child welfare initiative in providing case management services and support for families being served under family assessment response and to prevent entry into the child welfare system.

(g) **Extend Support for Youth Leaving Foster Care.** $600,000 in fiscal year 2023 is to extend financial supports for young adults aging out of foster care to age 22.

(h) **Grants to Counties for Child Protection Staff.** $1,000,000 in fiscal year 2023 is to provide grants to counties and American Indian child welfare initiative Tribes to be used to reduce extended foster care caseload sizes to ten cases per worker.

(i) **Statewide Pool of Qualified Individuals.** $1,177,400 in fiscal year 2023 is for grants to one or more grantees to establish and manage a pool of state-funded qualified individuals to assess potential out-of-home placement of a child in a qualified residential treatment program. Up to $200,000 of the grants each fiscal year is available for grantee contracts to manage the state-funded pool of qualified individuals. This amount shall also pay for qualified individual training, certification, and background studies. Remaining grant money shall be available until expended to provide qualified individual services to counties and Tribes that have joined the American Indian child welfare initiative pursuant to Minnesota Statutes, section 256.01, subdivision 14b, to provide qualified residential treatment program assessments at no cost to the county or Tribal agency.

(j) **Quality Parenting Initiative Grant.** $100,000 in fiscal year 2023 is for a grant to the Quality Parenting Initiative Minnesota, to implement Quality Parenting Initiative principles and practices and support children and families experiencing foster care placements.

The grantee shall use grant funds to provide training and technical assistance to county and Tribal agencies, community-based agencies, and other stakeholders on conducting initial foster care phone calls under Minnesota Statutes, section 260C.219, subdivision 6; supporting practices that create partnerships between birth and foster families; and informing child welfare practices by supporting youth leadership and the participation of individuals with experience in the foster care system. Upon request, the commissioner shall make information regarding the use of this grant funding available to the chairs and ranking minority members of the legislative committees with jurisdiction over human services. This is a onetime appropriation.

(k) **Costs of Foster Care or Care, Examination, or Treatment.** $5,000,000 in fiscal year 2023 is for grants to counties and Tribes, to reimburse counties and Tribes for the costs of foster care or care, examination, or treatment that would previously have been paid by the parents or custodians of a child in foster care using parental income and resources, child support payments, or income and resources attributable to a child under Minnesota Statutes, sections 242.19, 256N.26, 260B.331, and 260C.331. Counties and Tribes must apply for grant funds in a form prescribed by the commissioner, and must provide the information and data necessary to calculate grant fund allocations accurately and equitably, as determined by the commissioner.

(l) **Grants to Counties; Foster Care Federal Cash Assistance Benefits Plan.** $50,000 in fiscal year 2023 is for the commissioner to provide grants to counties to assist counties with gathering and reporting the county data required for the commissioner to develop the foster care federal cash assistance benefits plan.

(m) **Base Level Adjustment.** The general fund base is increased $52,386,000 in fiscal year 2024 and $49,715,000 in fiscal year 2025.

Subd. 17. **Grant Programs; Children and Community Service Grants**	-0-	-0-

Base Level Adjustment. The opiate epidemic response base is increased $100,000 in fiscal year 2025.

Subd. 18. **Grant Programs; Children and Economic Support Grants**	14,000,000	145,931,000

(a) **Family and Community Resource Hubs.** $2,550,000 in fiscal year 2023 is to implement a sustainable family and community resource hub model through the community action agencies under Minnesota Statutes, section 256E.31, and federally recognized Tribes. The community resource hubs must offer navigation to several supports and services, including but not limited to basic

needs and economic assistance, disability services, healthy development and screening, developmental and behavioral concerns, family well-being and mental health, early learning and child care, dental care, legal services, and culturally specific services for American Indian families.

(b) **Tribal Food Sovereignty Infrastructure Grants.** $4,000,000 in fiscal year 2023 is for capital and infrastructure development to support food system changes and provide equitable access to existing and new methods of food support for American Indian communities, including federally recognized Tribes and American Indian nonprofit organizations. This is a onetime appropriation and is available until June 30, 2025.

(c) **Tribal Food Security.** $2,836,000 in fiscal year 2023 is to promote food security for American Indian communities, including federally recognized Tribes and American Indian nonprofit organizations. This includes hiring staff, providing culturally relevant training for building food access, purchasing technical assistance materials and supplies, and planning for sustainable food systems.

(d) **Capital for Emergency Food Distribution Facilities.** $14,931,000 in fiscal year 2023 is for improving and expanding the infrastructure of food shelf facilities across the state, including adding freezer or cooler space and dry storage space, improving the safety and sanitation of existing food shelves, and addressing deferred maintenance or other facility needs of existing food shelves. Grant money shall be made available to nonprofit organizations, federally recognized Tribes, and local units of government. This is a onetime appropriation and is available until June 30, 2025.

(e) **Food Support Grants.** $5,000,000 in fiscal year 2023 is to provide additional resources to a diverse food support network that includes food shelves, food banks, and meal and food outreach programs. Grant money shall be made available to nonprofit organizations, federally recognized Tribes, and local units of government.

(f) **Transitional Housing.** $2,500,000 in fiscal year 2023 is for transitional housing programs under Minnesota Statutes, section 256E.33.

(g) **Shelter-Linked Youth Mental Health Grants.** $1,650,000 in fiscal year 2023 is for shelter-linked youth mental health grants under Minnesota Statutes, section 256K.46.

(h) **Emergency Services Grants.** $35,000,000 in fiscal year 2023 is for emergency services under Minnesota Statutes, section 256E.36. The base for this appropriation is $25,000,000 in fiscal year 2024 and $25,000,000 in fiscal year 2025. Grant allocation balances in the first year do not cancel but are available in the second year.

(i) **Homeless Youth Act.** $10,000,000 in fiscal year 2023 is for homeless youth act grants under Minnesota Statutes, section 256K.45, subdivision 1. Grant allocation balances in the first year do not cancel but are available in the second year.

(j) **Pregnant and Parenting Homeless Youth Study.** $300,000 in fiscal year 2023 is to fund a study of the prevalence of pregnancy and parenting among homeless youths and youths who are at risk of homelessness. This is a onetime appropriation and is available until June 30, 2024.

(k) **Safe Harbor Grants.** $5,500,000 in fiscal year 2023 is for safe harbor grants to fund street outreach, emergency shelter, and transitional and long-term housing beds for sexually exploited youth and youth at risk of exploitation.

(l) **Emergency Shelter Facilities.** $75,000,000 in fiscal year 2023 is for grants to eligible applicants for the acquisition of property; site preparation, including demolition; predesign; design; construction; renovation; furnishing; and equipping of emergency shelter facilities in accordance with emergency shelter facilities project criteria in this act. This is a onetime appropriation and is available until June 30, 2025.

(m) **Heading Home Ramsey Continuum of Care.** (1) $8,000,000 in fiscal year 2022 is for a grant to fund and support Heading Home Ramsey Continuum of Care. This is a onetime appropriation. The grant shall be used for:

(i) maintaining funding for a 100-bed family shelter that had been funded by CARES Act money;

(ii) maintaining funding for an existing 100-bed single room occupancy shelter and developing a replacement single-room occupancy shelter for housing up to 100 single adults; and

(iii) maintaining current day shelter programming that had been funded with CARES Act money and developing a replacement for current day shelter facilities.

(2) Ramsey County may use up to ten percent of this appropriation for administrative expenses. This appropriation is available until June 30, 2025.

(n) **Hennepin County Funding for Serving Homeless Persons.** (1) $6,000,000 in fiscal year 2022 is for a grant to fund and support Hennepin County shelters and services for persons experiencing homelessness. This is a onetime appropriation. Of this appropriation:

(i) up to $4,000,000 in matching grant funding is to design, construct, equip, and furnish the Simpson Housing Services shelter facility in the city of Minneapolis; and

(ii) up to $2,000,000 is to maintain current shelter and homeless response programming that had been funded with federal funding from the CARES Act of the American Rescue Plan Act, including:

(A) shelter operations and services to maintain services at Avivo Village, including a shelter comprised of 100 private dwellings and the American Indian Community Development Corporation Homeward Bound 50-bed shelter;

(B) shelter operations and services to maintain shelter services 24 hours per day, seven days per week;

(C) housing-focused case management; and

(D) shelter diversion services.

(2) Hennepin County may contract with eligible nonprofit organizations and local and Tribal governmental units to provide services under the grant program. This appropriation is available until June 30, 2025.

(o) **Chosen Family Hosting to Prevent Youth Homelessness Pilot Program.** $1,000,000 in fiscal year 2023 is for the chosen family hosting to prevent youth homelessness pilot program to provide funds to providers serving homeless youth. Of this amount, $218,000 is for a contract with a technical assistance provider to: (1) provide technical assistance to funding recipients; (2) facilitate a monthly learning cohort for funding recipients; (3) evaluate the efficacy and cost-effectiveness of the pilot program; and (4) submit annual updates and a final report to the commissioner. This is a onetime appropriation and is available until June 30, 2027.

(p) **Minnesota Association for Volunteer Administration.** $1,000,000 in fiscal year 2023 is for a grant to the Minnesota Association for Volunteer Administration to administer needs-based volunteerism subgrants targeting underresourced nonprofit organizations in greater Minnesota to support selected organizations' ongoing efforts to address and minimize disparities in access to human services through increased volunteerism. Successful subgrant applicants must demonstrate that the populations to be served by the subgrantee are considered underserved or suffer from or are at risk of homelessness, hunger, poverty, lack of access to health care, or deficits in education. The Minnesota Association for Volunteer Administration must give priority to organizations that are serving the needs of vulnerable populations. By December 15, 2023, the Minnesota Association for Volunteer Administration must report data on outcomes from the subgrants and recommendations for improving and sustaining volunteer efforts statewide to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services. This is a onetime appropriation and is available until June 30, 2024.

(q) **Base Level Adjustment.** The general fund base is increased $63,104,000 in fiscal year 2024 and $66,754,000 in fiscal year 2025.

Subd. 19. **Grant Programs; Health Care Grants**

Appropriations by Fund	2022	2023
General Fund	-0-	2,500,000
Health Care Access	(1,936,000)	3,936,000

(a) **Grant Funding to Support Urban American Indians in Minnesota Health Care Programs.** $2,500,000 in fiscal year 2023 is from the general fund for funding to the Indian Health Board of Minneapolis to support continued access to health care coverage through Minnesota health care programs, improve access to quality care, and increase vaccination rates among urban American Indians.

(b) **Grants for Navigator Organizations.** (1) $1,936,000 in fiscal year 2023 is from the health care access fund for grants to organizations with a MNsure grant services navigator assister contract in good standing as of July 1, 2022. The grants to each organization must be in proportion to the number of medical assistance and MinnesotaCare enrollees each organization assisted that resulted in a successful enrollment in the second quarter of fiscal year 2022, as determined by MNsure's navigator payment process. This is a onetime appropriation and is available until June 30, 2025. (2) $2,000,000 in fiscal year 2023 is from the health care access fund for incentive payments as defined in Minnesota Statutes, section 256.962, subdivision 5. This appropriation is available until June 30, 2025. The health care access fund base for this appropriation is $1,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(c) **Base Level Adjustment.** The general fund base is increased $3,750,000 in fiscal year 2024 and $1,250,000 in fiscal year 2025. The health care access fund base is increased $1,000,000 in fiscal year 2024, and $0 in fiscal year 2025.

Subd. 20. **Grant Programs; Other Long-Term Care Grants** -0- 119,336,000

(a) **Workforce Incentive Fund Grant Program.** $118,000,000 in fiscal year 2023 is to assist disability, housing, substance use, and older adult service providers of public programs to pay for incentive benefits to current and new workers. This is a onetime appropriation and is available until June 30, 2025. Three percent of the total amount of the appropriation may be used to administer the program, which may include contracting with a third-party administrator.

(b) **Supported Decision Making.** $600,000 in fiscal year 2023 is for a grant to Volunteers for America for the Centers for Excellence in Supported Decision Making to assist older adults and people with disabilities in avoiding unnecessary guardianships through using less restrictive alternatives, such as supported decision making. The base for this appropriation is $600,000 in fiscal year 2024, $600,000 in fiscal year 2025, and $0 in fiscal year 2026.

(c) **Support Coordination Training.** $736,000 in fiscal year 2023 is to develop and implement a curriculum and training plan for case managers to ensure all case managers have the knowledge and skills necessary to fulfill support planning and coordination responsibilities for people who use home and community-based disability services waivers authorized under Minnesota Statutes, sections 256B.0913, 256B.092, and 256B.49, and chapter 256S, and live in own-home settings. Case manager support planning and coordination responsibilities to be addressed in the training include developing a plan with the participant and their family to address urgent staffing changes or unavailability and other support coordination issues that may arise for a participant. The commissioner shall work with lead agencies, advocacy organizations, and other stakeholders to develop the training. An initial support coordination training and competency evaluation must be completed by all staff responsible for case management, and the support coordination training and competency evaluation must be available to all staff responsible for case management following the initial training. The base for this appropriation is $377,000 in fiscal year 2024, $377,000 in fiscal year 2025, and $0 in fiscal year 2026.

(d) **Base Level Adjustment.** The general fund base is increased $977,000 in fiscal year 2024 and $977,000 in fiscal year 2025.

Subd. 21. **Grant Programs; Disabilities Grants** -0- 8,950,000

(a) **Electronic Visit Verification (EVV) Stipends.** $6,440,000 in fiscal year 2023 is for onetime stipends of $200 to bargaining members to offset the potential costs related to people using individual devices to access EVV. $5,600,000 of the appropriation is for stipends and the remaining 15 percent is for administration of these stipends. This is a onetime appropriation.

(b) **Self-Directed Collective Bargaining Agreement; Temporary Rate Increase Memorandum of Understanding.** $1,610,000 in fiscal year 2023 is for onetime stipends for individual providers covered by the SEIU collective bargaining agreement based on the memorandum of understanding related to the temporary rate increase in effect between December 1, 2020, and February 7, 2021. $1,400,000 of the appropriation is for stipends and the remaining 15 percent is for administration of the stipends. This is a onetime appropriation.

(c) **Service Employees International Union Memorandums.** The memorandums of understanding submitted by the commissioner of management and budget to the Legislative Coordinating Commission Subcommittee on Employee Relations on March 17, 2022, are ratified.

(d) **Direct Care Service Corps Pilot Project.** $500,000 in fiscal year 2023 is for a grant to HealthForce Minnesota at Winona State University for purposes of the direct care service corps pilot project in this act. Up to $25,000 may be used by HealthForce Minnesota for administrative costs. This is a onetime appropriation.

(e) **Task Force on Disability Services Accessibility.** $250,000 in fiscal year 2023 is for the Task Force on Disability Services Accessibility. Of this amount, $..... must be used to provide pilot project grants. This is a onetime appropriation and is available until March 31, 2026.

(f) **Base Level Adjustment.** The general fund base is increased $805,000 in fiscal year 2024 and $2,420,000 in fiscal year 2025.

Subd. 22. **Grant Programs; Adult Mental Health Grants** 20,000,000 31,076,000

(a) **Inpatient Psychiatric and Psychiatric Residential Treatment Facilities.** $10,000,000 in fiscal year 2023 is for competitive grants to hospitals or mental health providers to retain, build, or expand children's inpatient psychiatric beds for children in need of acute high-level psychiatric care or psychiatric residential treatment facility beds as described in Minnesota Statutes, section 256B.0941. In order to be eligible for a grant, a hospital or mental health provider must serve individuals covered by medical assistance under Minnesota Statutes, section 256B.0625.

(b) **Expanding Support for Psychiatric Residential Treatment Facilities.** $800,000 in fiscal year 2023 is for start-up grants to psychiatric residential treatment facilities as described in Minnesota Statutes, section 256B.0941. Grantees may use grant money for emergency workforce shortage uses. Allowable grant uses related to emergency workforce shortages may include but are not limited to hiring and retention bonuses, recruitment of a culturally responsive workforce, and allowing providers to increase the hourly rate in order to be competitive in the market.

(c) **Workforce Incentive Fund Grant Program.** $20,000,000 in fiscal year 2022 is to provide mental health public program providers the ability to pay for incentive benefits to current and new workers. This is a onetime appropriation and is available until June 30, 2025. Three percent of the total amount of the appropriation may be used to administer the program, which may include contracting with a third-party administrator.

(d) **Cultural and Ethnic Infrastructure Grant Funding.** $10,000,000 in fiscal year 2023 is for increasing cultural and ethnic infrastructure grant funding under Minnesota Statutes, section 245.4903. The base for this appropriation is $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025.

(e) **Culturally Specific Grants.** $2,000,000 in fiscal year 2023 is for grants for small to midsize nonprofit organizations who represent and support American Indian, Indigenous, and other communities disproportionately affected by the opiate crisis. These grants utilize traditional healing practices and other culturally congruent and relevant supports to prevent and curb opiate use disorders through housing, treatment, education, aftercare, and other activities as determined by the commissioner. The base for this appropriation is $2,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(f) **African American Community Mental Health Center Grant.** $1,000,000 in fiscal year 2023 is for a grant to an African American mental health service provider that is a licensed community mental health center specializing in services for African American children and families. The center must offer culturally specific, comprehensive, trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder services; supervision and training; and care coordination to all ages, regardless of ability to pay or place of residence. Upon request, the commissioner shall make information regarding the use of this grant funding available to the chairs and ranking minority members of the legislative committees with jurisdiction over human services. This is a onetime appropriation.

(g) **Behavioral Health Peer Training.** $1,000,000 in fiscal year 2023 is for training and development for mental health certified peer specialists, mental health certified family peer specialists, and recovery peer specialists. Training and development may include but is not limited to initial training and certification.

(h) **Intensive Residential Treatment Services Locked Facilities.** $2,796,000 in fiscal year 2023 is for start-up funds to intensive residential treatment service providers to provide treatment in locked facilities for patients who have been transferred from a jail or who have been deemed incompetent to stand trial and a judge has determined that the patient needs to be in a secure facility. This is a onetime appropriation.

(i) **Base Level Adjustment.** The general fund base is increased $27,092,000 in fiscal year 2024 and $34,216,000 in fiscal year 2025. The opiate epidemic response base is increased $2,000,000 in fiscal year 2025.

Subd. 23. **Grant Programs; Child Mental Health Grants** -0- 13,660,000

(a) **First Episode of Psychosis Grants.** $300,000 in fiscal year 2023 is for first episode of psychosis grants under Minnesota Statutes, section 245.4905.

(b) **Children's Residential Treatment Services Emergency Funding.** $2,500,000 in fiscal year 2023 is from the general fund to provide licensed children's residential treatment facilities with emergency funding for staff overtime, one-to-one staffing as needed, staff recruitment and retention, and training and related costs to maintain quality staff. Up to $500,000 of this appropriation may be allocated to support group home organizations supporting children transitioning to lower levels of care. This is a onetime appropriation.

(c) **Children's Residential Facility Crisis Stabilization.** $3,000,000 in fiscal year 2023 is for implementing children's residential facility crisis stabilization services licensing requirements and reimbursing county costs for children's residential crisis stabilization services as required under Minnesota Statutes, section 245.4882, subdivision 6.

(d) **Base Level Adjustment.** The general fund base is increased $16,100,000 in fiscal year 2024 and $1,100,000 in fiscal year 2025.

Subd. 24. **Grant Programs; Chemical Dependency Treatment Support Grants** -0- 2,000,000

(a) **Emerging Mood Disorder Grant Program.** $1,000,000 in fiscal year 2023 is for emerging mood disorder grants under Minnesota Statutes, section 245.4904. Grantees must use grant money as required in Minnesota Statutes, section 245.4904, subdivision 2.

(b) **Substance Use Disorder Treatment and Prevention Grants.** The base shall include $4,000,000 in fiscal year 2024 and $4,000,000 in fiscal year 2025 for substance use disorder treatment and prevention grants recommended by the substance use disorder advisory council.

(c) **Traditional Healing Grants.** The base shall include $2,000,000 in fiscal year 2025 to extend the traditional healing grant funding appropriated in Laws 2019, chapter 63, article 3, section 1, paragraph (h), from the opiate epidemic response account to the commissioner of human services. This funding is awarded to all Tribal nations and to five urban Indian communities for traditional healing practices to American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.

(d) **Base Level Adjustment.** The general fund base is increased $2,000,000 in fiscal year 2024 and $2,000,000 in fiscal year 2025.

Subd. 25. **Direct Care and Treatment - Operations**	-0-	6,501,000

Base Level Adjustment. The general fund base is increased $5,267,000 in fiscal year 2024 and $0 in fiscal year 2025.

Subd. 26. **Technical Activities**	-0-	-0-

(a) **Transfers; Child Care and Development Fund.** For fiscal years 2024 and 2025, the base shall include a transfer of $23,500,000 in fiscal year 2024 and $23,500,000 in fiscal year 2025 from the TANF fund to the child care and development fund. These are onetime transfers.

(b) **Base Level Adjustment.** The TANF base is increased $23,500,000 in fiscal year 2024, $23,500,000 in fiscal year 2025, and $0 in fiscal year 2026.

Sec. 3. **COMMISSIONER OF HEALTH**

Subdivision 1. **Total Appropriation**	**$-0-**	**$266,507,000**

Appropriations by Fund

	2022	2023
General	-0-	258,888,000
State Government Special Revenue	-0-	6,044,000
Health Care Access	-0-	21,575,000

Subd. 2. **Health Improvement**

Appropriations by Fund

General	-0-	222,757,000
State Government Special Revenue	-0-	509,000
Health Care Access	-0-	21,575,000

(a) **988 National Suicide Prevention Lifeline.** $8,671,000 in fiscal year 2023 is from the general fund for the 988 suicide prevention lifeline in Minnesota Statutes, section 145.56. Of this appropriation, $455,000 is for administration and $7,890,000 is for grants. The general fund base for this appropriation is $8,671,000 in fiscal year 2024, of which $455,000 is for administration and $7,890,000 is for grants, and $8,671,000 in fiscal year 2025, of which $455,000 is for administration and $7,890,000 is for grants.

(b) **Address Growing Health Care Costs.** $2,476,000 in fiscal year 2023 is from the general fund for initiatives aimed at addressing growth in health care spending while ensuring stability in rural health care programs. The general fund base for this appropriation is $3,057,000 in fiscal year 2024 and $3,057,000 in fiscal year 2025.

(c) **Community Health Workers.** $1,462,000 in fiscal year 2023 is from the general fund for a public health approach to developing community health workers across Minnesota under Minnesota Statutes, section 145.9282. Of this appropriation, $462,000 is for administration and $1,000,000 is for grants. The general fund base for this appropriation is $1,097,000 in fiscal year 2024, of which $337,000 is for administration and $760,000 is for grants, and $1,098,000 in fiscal year 2025, of which $338,000 is for administration and $760,000 is for grants.

(d) **Community Solutions for Healthy Child Development.** $10,000,000 in fiscal year 2023 is from the general fund for the community solutions for the healthy child development grant program under Minnesota Statutes, section 145.9271. Of this appropriation, $1,250,000 is for administration and $8,750,000 is for grants. The general fund base appropriation is $10,000,000 in fiscal year 2024 and $10,000,000 in fiscal year 2025, of which $1,250,000 is for administration and $8,750,000 is for grants in each fiscal year.

(e) **Disability as a Health Equity Issue.** $1,575,000 in fiscal year 2023 is from the general fund to reduce disability-related health disparities through collaboration and coordination between state and community partners under Minnesota Statutes, section 145.9283. Of this appropriation, $1,130,000 is for administration and $445,000 is for grants. The general fund base for this appropriation is $1,585,000 in fiscal year 2024 and $1,585,000 in fiscal year 2025, of which $1,140,000 is for administration and $445,000 is for grants.

(f) **Drug Overdose and Substance Abuse Prevention.** $5,042,000 in fiscal year 2023 is from the general fund for a public health prevention approach to drug overdose and substance use disorder in Minnesota Statutes, section 144.8611. Of this appropriation, $921,000 is for administration and $4,121,000 is for grants.

(g) **Healthy Beginnings, Healthy Families.** $11,700,000 in fiscal year 2023 is from the general fund for Healthy Beginnings, Healthy Families services under Minnesota Statutes, section 145.987. The general fund base for this appropriation is $11,818,000 in fiscal year 2024 and $11,763,000 in fiscal year 2025. Of this appropriation:

(1) $7,510,000 in fiscal year 2023 is for the Minnesota Collaborative to Prevent Infant Mortality under Minnesota Statutes, section 145.987, subdivisions 2, 3, and 4, of which

$1,535,000 is for administration and $5,975,000 is for grants. The general fund base for this appropriation is $7,501,000 in fiscal year 2024, of which $1,526,000 is for administration and $5,975,000 is for grants, and $7,501,000 in fiscal year 2025, of which $1,526,000 is for administration and $5,975,000 is for grants.

(2) $340,000 in fiscal year 2023 is for Help Me Connect under Minnesota Statutes, section 145.987, subdivisions 5 and 6. The general fund base for this appropriation is $663,000 in fiscal year 2024 and $663,000 in fiscal year 2025.

(3) $1,940,000 in fiscal year 2023 is for voluntary developmental and social-emotional screening and follow-up under Minnesota Statutes, section 145.987, subdivisions 7 and 8, of which $1,190,000 is for administration and $750,000 is for grants. The general fund base for this appropriation is $1,764,000 in fiscal year 2024, of which $1,014,000 is for administration and $750,000 is for grants, and $1,764,000 in fiscal year 2025, of which $1,014,000 is for administration and $750,000 is for grants.

(4) $1,910,000 in fiscal year 2023 is for model jail practices for incarcerated parents under Minnesota Statutes, section 145.987, subdivisions 9, 10, and 11, of which $485,000 is for administration and $1,425,000 is for grants. The general fund base for this appropriation is $1,890,000 in fiscal year 2024, of which $465,000 is for administration and $1,425,000 is for grants, and $1,835,000 in fiscal year 2025, of which $410,000 is for administration and $1,425,000 is for grants.

(h) **Home Visiting.** $62,386,000 in fiscal year 2023 is from the general fund for universal, voluntary home visiting services under Minnesota Statutes, section 145.871. Of this appropriation, ten percent is for administration and 90 percent is for implementation grants of home visiting services to families. The general fund base for this appropriation is $63,386,000 in fiscal year 2024 and $63,386,000 in fiscal year 2025.

(i) **Long COVID.** $2,669,000 in fiscal year 2023 is from the general fund for a public health approach to supporting long COVID survivors under Minnesota Statutes, section 145.361. Of this appropriation, $2,119,000 is for administration and $550,000 is for grants. The base for this appropriation is $3,706,000 in fiscal year 2024 and $3,706,000 in fiscal year 2025, of which $3,156,000 is for administration and $550,000 is for grants in each fiscal year.

(j) **Medical Education Research Cost (MERC).** Of the amount previously appropriated in the general fund by Laws 2015, chapter 71, article 3, section 2, for the MERC program, $150,000 in fiscal year 2023 and each year thereafter is for the administration of grants under Minnesota Statutes, section 62J.692.

(k) **No Surprises Act Enforcement.** $964,000 in fiscal year 2023 is from the general fund for implementation of the federal No Surprises Act portion of the Consolidated Appropriations Act, 2021, under Minnesota Statutes, section 62Q.021, subdivision 3. The general fund base for this appropriation is $763,000 in fiscal year 2024 and $757,000 in fiscal year 2025.

(l) **Public Health System Transformation.** $23,531,000 in fiscal year 2023 is from the general fund for public health system transformation. Of this appropriation:

(1) $20,000,000 is for grants to community health boards under Minnesota Statutes, section 145A.131, subdivision 1, paragraph (f).

(2) $1,000,000 is for grants to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2b.

(3) $1,000,000 is for a public health AmeriCorps program grant under Minnesota Statutes, section 145.9292.

(4) $1,531,000 is for the commissioner to oversee and administer activities under this paragraph.

(m) **Revitalize Health Care Workforce.** $21,575,000 in fiscal year 2023 is from the health care access fund to address challenges of Minnesota's health care workforce. Of this appropriation:

(1) $2,073,000 in fiscal year 2023 is for the health professionals clinical training expansion and rural and underserved clinical rotations grant programs under Minnesota Statutes, section 144.1505, of which $423,000 is for administration and $1,650,000 is for grants. Grant appropriations are available until expended under Minnesota Statutes, section 144.1505, subdivision 2.

(2) $4,507,000 in fiscal year 2023 is for the primary care rural residency training grant program under Minnesota Statutes, section 144.1507, of which $207,000 is for administration and $4,300,000 is for grants. Grant appropriations are available until expended under Minnesota Statutes, section 144.1507, subdivision 2.

(3) $430,000 in fiscal year 2023 is for the international medical graduates assistance program under Minnesota Statutes, section 144.1911, for international immigrant medical graduates to fill a gap in their preparedness for medical residencies or transition to a new career making use of their medical degrees. Of this appropriation, $55,000 is for administration and $375,000 is for grants.

(4) $12,565,000 in fiscal year 2023 is for a grant program to health care systems, hospitals, clinics, and other providers to ensure the availability of clinical training for students, residents, and graduate students to meet health professions educational requirements under Minnesota Statutes, section 144.1511, of which $565,000 is for administration and $12,000,000 is for grants.

(5) $2,000,000 in fiscal year 2023 is for the mental health cultural community continuing education grant program, of which $460,000 is for administration and $1,540,000 is for grants.

(n) **School Health.** $837,000 in fiscal year 2023 is from the general fund for the School Health Initiative under Minnesota Statutes, section 145.988. The general fund base for this appropriation is $3,462,000 in fiscal year 2024, of which $1,212,000 is for administration and $2,250,000 is for grants and $3,287,000 in fiscal year 2025, of which $1,037,000 is for administration and $2,250,000 is for grants.

(o) **Trauma System.** $61,000 in fiscal year 2023 is from the general fund to administer the trauma care system throughout the state under Minnesota Statutes, sections 144.602, 144.603, 144.604, 144.606, and 144.608. $430,000 in fiscal year 2023 is from the state government special revenue fund for trauma designations according to Minnesota Statutes, sections 144.122, paragraph (g), 144.605, and 144.6071.

(p) **Mental Health Providers; Loan Forgiveness, Grants, Information Clearinghouse.** $4,275,000 in fiscal year 2023 is from the general fund for activities to increase the number of mental health professionals in the state. Of this appropriation:

(1) $1,000,000 is for loan forgiveness under the health professional education loan forgiveness program under Minnesota Statutes, section 144.1501, notwithstanding the priorities and distribution requirements in that section, for eligible mental health professionals who provide clinical supervision in their designated field;

(2) $3,000,000 is for the mental health provider supervision grant program under Minnesota Statutes, section 144.1508;

(3) $250,000 is for the mental health professional scholarship grant program under Minnesota Statutes, section 144.1509; and

(4) $25,000 is for the commissioner to establish and maintain a website to serve as an information clearinghouse for mental health professionals and individuals seeking to qualify as a mental health professional. The website must contain information on the various master's level programs to become a mental health professional, requirements for supervision, where to find supervision, how to access tools to study for the applicable licensing examination, links to loan forgiveness programs and tuition reimbursement programs, and other topics of use to individuals seeking to become a mental health professional. This is a onetime appropriation.

(q) **Palliative Care Advisory Council.** $44,000 in fiscal year 2023 is from the general fund for the Palliative Care Advisory Council under Minnesota Statutes, section 144.059.

(r) **Emmett Louis Till Victims Recovery Program.** $500,000 in fiscal year 2023 is from the general fund for the Emmett Louis Till Victims Recovery Program. This is a onetime appropriation and is available until June 30, 2024.

(s) **Changes to Birth Certificates.** $75,000 in fiscal year 2023 is from the state government special revenue fund for implementation of Minnesota Statutes, section 144.2182. The state government special revenue fund base for this appropriation is $7,000 in fiscal year 2024 and $7,000 in fiscal year 2025.

(t) **Study; POLST Forms.** $292,000 in fiscal year 2023 is from the general fund for the commissioner to study the creation of a statewide registry of provider orders for life-sustaining treatment and issue a report and recommendations.

(u) **Benefit and Cost Analysis of Universal Health Reform Proposal.** $461,000 in fiscal year 2023 is from the general fund for an analysis of the benefits and costs of a universal health care financing system and a similar analysis of the current health care financing system. Of this appropriation, $250,000 is for a contract with the University of Minnesota School of Public Health and the Carlson School of Management. The general fund base for this appropriation is $288,000 in fiscal year 2024, of which $250,000 is for a contract with the University of Minnesota School of Public Health and the Carlson School of Management, and $0 in fiscal year 2025.

(v) **Technical Assistance; Health Care Trends and Costs.** $5,000,000 in fiscal year 2023 is from the general fund for technical assistance to the Health Care Affordability Board in analyzing health care trends and costs and setting health care spending growth targets.

(w) **Sexual Exploitation and Trafficking Study.** $300,000 in fiscal year 2023 is to fund a prevalence study on youth and adult victim survivors of sexual exploitation and trafficking. This is a onetime appropriation and is available until June 30, 2024.

(x) **Local and Tribal Public Health Emergency Preparedness and Response.** $9,000,000 in fiscal year 2023 is from the general fund for distribution to local and Tribal public health organizations for emergency preparedness and response capabilities. At least 90 percent of this appropriation must be distributed to local and Tribal public health organizations, and up to ten percent of this appropriation may be used by the commissioner for administrative

costs. Use of this appropriation must align with the Centers for Disease Control and Prevention's issued report: Public Health Emergency Preparedness and Response Capabilities: National Standards for State, Local, Tribal, and Territorial Public Health.

(y) **Grants to Local Public Health Departments.** $16,172,000 in fiscal year 2023 is from the general fund for grants to local public health departments for public health response related to defining elevated blood lead level as 3.5 micrograms of lead or greater per deciliter of whole blood. Of this amount, $172,000 is available to the commissioner for administrative costs. This appropriation is available until June 30, 2025. The general fund base for this appropriation is $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025.

(z) **Loan Forgiveness for Nursing Instructors.** Notwithstanding the priorities and distribution requirements in Minnesota Statutes, section 144.1501, $50,000 in fiscal year 2023 is from the general fund for loan forgiveness under the health professional education loan forgiveness program under Minnesota Statutes, section 144.1501, for eligible nurses who agree to teach.

(aa) **Mental Health of Health Care Workers.** $1,000,000 in fiscal year 2023 is from the general fund for competitive grants to hospitals, community health centers, rural health clinics, and medical professional associations to establish or enhance evidence-based or evidence-informed programs dedicated to improving the mental health of health care professionals.

(bb) **Prevention of Violence in Health Care.** $50,000 in fiscal year 2023 is from the general fund to continue the prevention of violence in health care programs and to create violence prevention resources for hospitals and other health care providers to use to train their staff on violence prevention.

(cc) **Hospital Nursing Loan Forgiveness.** $5,000,000 in fiscal year 2023 is from the general fund for the hospital nursing loan forgiveness program under Minnesota Statutes, section 144.1501.

(dd) **Program to Distribute COVID-19 Tests, Masks, and Respirators.** $15,000,000 in fiscal year 2023 is from the general fund for a program to distribute COVID-19 tests, masks, and respirators to individuals in the state. This is a onetime appropriation.

(ee) **Safe Harbor Grants.** $1,000,000 in fiscal year 2023 is for grants to fund supportive services, including but not limited to legal services, mental health therapy, substance use disorder counseling, and case management for sexually exploited youth or youth at risk of sexual exploitation under Minnesota Statutes, section 145.4716.

(ff) **Safe Harbor Regional Navigators.** $700,000 in fiscal year 2023 is for safe harbor regional navigators under Minnesota Statutes, section 145.4717.

(gg) **Base Level Adjustments.** The general fund base is increased $195,645,000 in fiscal year 2024 and $195,063,000 in fiscal year 2025. The health care access fund base is increased $21,575,000 in fiscal year 2024 and $21,575,000 in fiscal year 2025. The state government special revenue fund base is increased $437,000 in fiscal year 2024 and $437,000 in fiscal year 2025.

Subd. 3. **Health Protection**

Appropriations by Fund		
General	-0-	36,131,000
State Government Special Revenue	-0-	5,535,000

(a) **Climate Resiliency.** $1,977,000 in fiscal year 2023 is from the general fund for climate resiliency actions under Minnesota Statutes, section 144.9981. Of this appropriation, $977,000 is for administration and $1,000,000 is for grants. The general fund base for this appropriation is $988,000 in fiscal year 2024, of which $888,000 is for administration and $100,000 is for grants, and $989,000 in fiscal year 2025, of which $889,000 is for administration and $100,000 is for grants.

(b) **Lead Remediation in Schools and Child Care Settings.** $2,054,000 in fiscal year 2023 is from the general fund for a lead in drinking water remediation in schools and child care settings grant program under Minnesota Statutes, section 145.9272. Of this appropriation, $454,000 is for administration and $1,600,000 is for grants. The general fund base for this appropriation is $1,540,000 in fiscal year 2024, of which $370,000 is for administration and $1,170,000 is for grants, and $1,541,000 in fiscal year 2025, of which $371,000 is for administration and $1,170,000 is for grants.

(c) **Lead Service Line Inventory.** $4,029,000 in fiscal year 2023 is from the general fund for grants to public water suppliers to complete a lead service line inventory of their distribution systems under Minnesota Statutes, section 144.383, clause (6). Of this appropriation, $279,000 is for administration and $3,750,000 is for grants. The general fund base for this appropriation is $4,029,000 in fiscal year 2024, of which $279,000 is for administration and $3,750,000 is for grants, and $140,000 in fiscal year 2025, which is for administration.

(d) **Lead Service Line Replacement.** $5,000,000 in fiscal year 2023 is from the general fund for administrative costs related to the replacement of lead service lines in the state.

(e) **Mercury in Skin-Lightening Products Grants.** $100,000 in fiscal year 2023 is from the general fund for a skin-lightening products public awareness and education grant program under Minnesota Statutes, section 145.9275.

(f) **HIV Prevention for People Experiencing Homelessness.** $1,129,000 in fiscal year 2023 is from the general fund for expanding access to harm reduction services and improving linkages to care to prevent HIV/AIDS, hepatitis, and other infectious diseases for those experiencing homelessness or housing instability under Minnesota Statutes, section 145.924, paragraph (d). Of this appropriation, $169,000 is for administration and $960,000 is for grants.

(g) **Safety Improvements for State-Licensed Long-Term Care Facilities.** $5,500,000 in fiscal year 2023 is from the general fund for a temporary grant program for safety improvements for state-licensed long-term care facilities. Of this appropriation, $500,000 is for administration and $5,000,000 is for grants. The general fund base for this appropriation is $8,200,000 in fiscal year 2024 and $0 in fiscal year 2025. Of this appropriation in fiscal year 2024, $700,000 is for administration and $7,500,000 is for grants. This appropriation is available until June 30, 2025.

(h) **Mortuary Science.** $219,000 in fiscal year 2023 is from the state government special revenue fund for regulation of transfer care specialists under Minnesota Statutes, chapter 149A, and for additional reporting requirements under Minnesota Statutes, section 149A.94. The state government special revenue fund base for this appropriation is $132,000 in fiscal year 2024 and $61,000 in fiscal year 2025.

(i) **Drinking Water Lead Testing and Remediation; Day Care Facilities.** $1,000,000 in fiscal year 2023 is from the general fund for statewide testing of day care facilities for the presence of lead in drinking water and for remediation of contamination where found.

(j) **Public Health Response Contingency Account.** $20,000,000 in fiscal year 2023 is from the general fund for transfer to the public health response contingency account under Minnesota Statutes, section 144.4199.

(k) **Base Level Adjustments.** The general fund base is increased $17,269,000 in fiscal year 2024 and $5,065,000 in fiscal year 2025. The state government special revenue fund base is increased $5,242,000 in fiscal year 2024 and $5,171,000 in fiscal year 2025.

Sec. 4. **HEALTH-RELATED BOARDS**

Subdivision 1. **Total Appropriation** **$-0-** **$203,000**

Appropriations by Fund

General Fund	-0-	175,000
State Government Special Revenue	-0-	28,000

This appropriation is from the state government special revenue fund unless specified otherwise. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Board of Dentistry** -0- 3,000

Subd. 3. **Board of Dietetics and Nutrition Practice** -0- 25,000

Subd. 4. **Board of Pharmacy** -0- 175,000

This appropriation is from the general fund.

Medication repository program. $175,000 in fiscal year 2023 is from the general fund for transfer by the Board of Pharmacy to the central repository to be used to administer the medication repository program according to the contract between the central repository and the Board of Pharmacy.

Sec. 5. **COUNCIL ON DISABILITY** **$-0-** **$375,000**

Sec. 6. **EMERGENCY MEDICAL SERVICES REGULATORY BOARD** **$-0-** **$200,000**

This is a onetime appropriation.

Sec. 7. **BOARD OF DIRECTORS OF MNSURE** **$-0-** **$7,775,000**

This appropriation may be transferred to the MNsure account established in Minnesota Statutes, section 62V.07.

Base Adjustment. The general fund base for this appropriation is $10,982,000 in fiscal year 2024, $6,450,000 in fiscal year 2025, and $0 in fiscal year 2026.

Sec. 8. **HEALTH CARE AFFORDABILITY BOARD.** **$-0-** **$1,070,000**

(a) **Health Care Affordability Board.** $1,070,000 in fiscal year 2023 is from the general fund for the Health Care Affordability Board to implement Minnesota Statutes, sections 62J.86 to 62J.72.

(b) **Base Level Adjustment.** The general fund base is increased $347,000 in fiscal year 2024 and $415,000 in fiscal year 2025.

Sec. 9. **COMMISSIONER OF COMMERCE** **$-0-** **$251,000**

(a) **Prescription Drug Affordability Board.** $197,000 in fiscal year 2023 is from the general fund for the commissioner of commerce to establish the Prescription Drug Affordability Board under Minnesota Statutes, section 62J.87, and for the Prescription Drug Affordability Board to implement the Prescription Drug Affordability Act. Following the first meeting of the board and prior to June 30, 2023, the commissioner of commerce shall transfer any funds remaining from this appropriation to the board. The general fund base for this appropriation is $357,000 in fiscal year 2024 and $357,000 in fiscal year 2025.

(b) **Ectodermal Dysplasias.** $54,000 in fiscal year 2023 is from the general fund for costs related to insurance coverage of ectodermal dysplasias. The general fund base for this appropriation is $58,000 in fiscal year 2024 and $62,000 in fiscal year 2025.

Sec. 10. **COMMISSIONER OF LABOR AND INDUSTRY** **$-0-** **$641,000**

Nursing Home Workforce Standards Board. $641,000 in fiscal year 2023 is for establishment and operation of the Nursing Home Workforce Standards Board in Minnesota Statutes, sections 181.211 to 181.217. The general fund base for this appropriation is $322,000 in fiscal year 2024 and $368,000 in fiscal year 2025.

Sec. 11. **ATTORNEY GENERAL** **$-0-** **$456,000**

(a) **Expert Witnesses.** $200,000 in fiscal year 2023 is for expert witnesses and investigations under Minnesota Statutes, section 62J.844. This is a onetime appropriation.

(b) **Prescription Drug Enforcement.** $256,000 in fiscal year 2023 is for prescription drug enforcement. This is a onetime appropriation.

Sec. 12. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Operations and Maintenance** 621,968,000 621,968,000

(a) $15,000,000 in fiscal year 2022 and $15,000,000 in fiscal year 2023 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) $7,800,000 in fiscal year 2022 and $7,800,000 in fiscal year 2023 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(c) $4,000,000 in fiscal year 2022 and $4,000,000 in fiscal year 2023 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) $500,000 in fiscal year 2022 and $500,000 in fiscal year 2023 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) $150,000 in fiscal year 2022 and $150,000 in fiscal year 2023 are for the Chloe Barnes Advisory Council on Rare Diseases under Minnesota Statutes, section 137.68. The fiscal year 2023 appropriation shall be transferred to the Council on Disability. The base for this appropriation is $0 in fiscal year 2024 and later.

(f) The total operations and maintenance base for fiscal year 2024 and later is $620,818,000.

Sec. 13. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 29, is amended to read:

Subd. 29. **Grant Programs; Disabilities Grants**	31,398,000	31,010,000

(a) **Training Stipends for Direct Support Services Providers.** $1,000,000 in fiscal year 2022 is from the general fund for stipends for individual providers of direct support services as defined in Minnesota Statutes, section 256B.0711, subdivision 1. These stipends are available to individual providers who have completed designated voluntary trainings made available through the State-Provider Cooperation Committee formed by the State of Minnesota and the Service Employees International Union Healthcare Minnesota. Any unspent appropriation in fiscal year 2022 is available in fiscal year 2023. This is a onetime appropriation. This appropriation is available only if the labor agreement between the state of Minnesota and the Service Employees International Union Healthcare Minnesota under Minnesota Statutes, section 179A.54, is approved under Minnesota Statutes, section 3.855.

(b) **Parent-to-Parent Peer Support.** $125,000 in fiscal year 2022 and $125,000 in fiscal year 2023 are from the general fund for a grant to an alliance member of Parent to Parent USA to support the alliance member's parent-to-parent peer support program for families of children with a disability or special health care need.

(c) **Self-Advocacy Grants.** (1) $143,000 in fiscal year 2022 and $143,000 in fiscal year 2023 are from the general fund for a grant under Minnesota Statutes, section 256.477, subdivision 1.

(2) $105,000 in fiscal year 2022 and $105,000 in fiscal year 2023 are from the general fund for subgrants under Minnesota Statutes, section 256.477, subdivision 2.

(d) **Minnesota Inclusion Initiative Grants.** $150,000 in fiscal year 2022 and $150,000 in fiscal year 2023 are from the general fund for grants under Minnesota Statutes, section 256.4772.

(e) **Grants to Expand Access to Child Care for Children with Disabilities.** $250,000 in fiscal year 2022 and $250,000 in fiscal year 2023 are from the general fund for grants to expand access to child care for children with disabilities. Any unspent amount in fiscal year 2022 is available through June 30, 2023. This is a onetime appropriation.

(f) **Parenting with a Disability Pilot Project.** The general fund base includes $1,000,000 in fiscal year 2024 and $0 in fiscal year 2025 to implement the parenting with a disability pilot project.

(g) **Base Level Adjustment.** The general fund base is $29,260,000 in fiscal year 2024 and $22,260,000 in fiscal year 2025.

Sec. 14. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 31, is amended to read:

Subd. 31. **Grant Programs; Adult Mental Health Grants**

	Appropriations by Fund	
General	98,772,000	98,703,000
Opiate Epidemic Response	2,000,000	2,000,000

(a) **Culturally and Linguistically Appropriate Services Implementation Grants.** $2,275,000 in fiscal year 2022 and $2,206,000 in fiscal year 2023 are from the general fund for grants to disability services, mental health, and substance use disorder treatment providers to implement culturally and linguistically appropriate services standards, according to the implementation and transition plan developed by the commissioner. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base for this appropriation is $1,655,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) **Base Level Adjustment.** The general fund base is $93,295,000 in fiscal year 2024 and $83,324,000 in fiscal year 2025. The opiate epidemic response fund base is $2,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

Sec. 15. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 33, is amended to read:

Subd. 33. **Grant Programs; Chemical Dependency Treatment Support Grants**

	Appropriations by Fund	
General	4,273,000	4,274,000
Lottery Prize	1,733,000	1,733,000
Opiate Epidemic Response	500,000	500,000

(a) **Problem Gambling.** $225,000 in fiscal year 2022 and $225,000 in fiscal year 2023 are from the lottery prize fund for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling.

(b) **Recovery Community Organization Grants.** $2,000,000 in fiscal year 2022 and $2,000,000 in fiscal year 2023 are from the general fund for grants to recovery community organizations, as defined in Minnesota Statutes, section 254B.01, subdivision 8, to provide for costs and community-based peer recovery support services that are not otherwise eligible for reimbursement under Minnesota Statutes, section 254B.05, as part of the continuum of care for substance use disorders. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base for this appropriation is $2,000,000 in fiscal year 2024 and $0 in fiscal year 2025

(c) **Base Level Adjustment.** The general fund base is $4,636,000 in fiscal year 2024 and $2,636,000 in fiscal year 2025. The opiate epidemic response fund base is $500,000 in fiscal year 2024 and $0 in fiscal year 2025.

Sec. 16. Laws 2021, First Special Session chapter 7, article 17, section 3, is amended to read:

Sec. 3. **GRANTS FOR TECHNOLOGY FOR HCBS RECIPIENTS.**

(a) This act includes $500,000 in fiscal year 2022 and $2,000,000 in fiscal year 2023 for the commissioner of human services to issue competitive grants to home and community-based service providers. Grants must be used to provide technology assistance, including but not limited to Internet services, to older adults and people with disabilities who do not have access to technology resources necessary to use remote service delivery and telehealth. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base included in this act for this purpose is $1,500,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This section expires June 30, 2024.

Sec. 17. Laws 2021, First Special Session chapter 7, article 17, section 6, is amended to read:

Sec. 6. **TRANSITION TO COMMUNITY INITIATIVE.**

(a) This act includes $5,500,000 in fiscal year 2022 and $5,500,000 in fiscal year 2023 for additional funding for grants awarded under the transition to community initiative described in Minnesota Statutes, section 256.478. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base in this act for this purpose is $4,125,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This section expires June 30, 2024.

Sec. 18. Laws 2021, First Special Session chapter 7, article 17, section 10, is amended to read:

Sec. 10. **PROVIDER CAPACITY GRANTS FOR RURAL AND UNDERSERVED COMMUNITIES.**

(a) This act includes $6,000,000 in fiscal year 2022 and $8,000,000 in fiscal year 2023 for the commissioner to establish a grant program for small provider organizations that provide services to rural or underserved communities with limited home and community-based services provider capacity. The grants are available to build organizational capacity to provide home and community-based services in Minnesota and to build new or expanded infrastructure to access medical assistance reimbursement. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base in this act for this purpose is $8,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) The commissioner shall conduct community engagement, provide technical assistance, and establish a collaborative learning community related to the grants available under this section and work with the commissioner of management and budget and the commissioner of the Department of Administration to mitigate barriers in accessing grant funds. Funding awarded for the community engagement activities described in this paragraph is exempt from state solicitation requirements under Minnesota Statutes, section 16B.97, for activities that occur in fiscal year 2022.

(c) All grant activities must be completed by March 31, 2024.

(d) This section expires June 30, 2024.

Sec. 19. Laws 2021, First Special Session chapter 7, article 17, section 11, is amended to read:

Sec. 11. **EXPAND MOBILE CRISIS.**

(a) This act includes $8,000,000 in fiscal year 2022 and $8,000,000 in fiscal year 2023 for additional funding for grants for adult mobile crisis services under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (b), clause (15). Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base in this act for this purpose is $4,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) Beginning April 1, 2024, counties may fund and continue conducting activities funded under this section.

(c) All grant activities must be completed by March 31, 2024.

(d) This section expires June 30, 2024.

Sec. 20. Laws 2021, First Special Session chapter 7, article 17, section 12, is amended to read:

Sec. 12. **PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY AND CHILD AND ADOLESCENT MOBILE TRANSITION UNIT.**

(a) This act includes $2,500,000 in fiscal year 2022 and $2,500,000 in fiscal year 2023 for the commissioner of human services to create children's mental health transition and support teams to facilitate transition back to the community of children from psychiatric residential treatment facilities, and child and adolescent behavioral health hospitals. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base included in this act for this purpose is $1,875,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) Beginning April 1, 2024, counties may fund and continue conducting activities funded under this section.

(c) This section expires March 31, 2024.

Sec. 21. Laws 2021, First Special Session chapter 7, article 17, section 17, subdivision 3, is amended to read:

Subd. 3. **Respite services for older adults grants.** (a) This act includes $2,000,000 in fiscal year 2022 and $2,000,000 in fiscal year 2023 for the commissioner of human services to establish a grant program for respite services for older adults. The commissioner must award grants on a competitive basis to respite service providers. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base included in this act for this purpose is $2,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This subdivision expires June 30, 2024.

Sec. 22. **APPROPRIATIONS FOR ADVISORY COUNCIL ON RARE DISEASES.**

In accordance with Minnesota Statutes, section 15.039, subdivision 6, the unexpended balance of money appropriated from the general fund to the Board of Regents of the University of Minnesota for purposes of the advisory council on rare diseases under Minnesota Statutes, section 137.68, shall be under control of the Minnesota Rare Disease Advisory Council and the Council on Disability.

Sec. 23. **APPROPRIATION ENACTED MORE THAN ONCE.**

If an appropriation is enacted more than once in the 2022 legislative session, the appropriation must be given effect only once.

Sec. 24. **SUNSET OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2023, unless a different effective date is explicit.

Sec. 25. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions governing community supports, behavioral health, continuing care for older adults, child and vulnerable adult protection, economic assistance, direct care and treatment, preventing homelessness, human services licensing and operations, and opioid litigation settlements; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 62N.25, subdivision 5; 62Q.1055; 62Q.47; 119B.011, subdivision 15; 119B.025, subdivision 4; 145.4716, by adding a subdivision; 169A.70, subdivisions 3, 4; 177.27, subdivisions 4, 7; 242.19, subdivision 2; 245.4882, by adding subdivisions; 245.4889, by adding a subdivision; 245.713, subdivision 2; 245A.07, subdivisions 2a, 3; 245A.14, subdivision 14; 245D.10, subdivision 3a; 245D.12; 245F.03; 245F.15, subdivision 1; 245F.16, subdivision 1; 245G.01, subdivisions 4, 17; 245G.05, subdivision 2; 245G.06, subdivision 3, by adding subdivisions; 245G.08, subdivision 5; 245G.09, subdivision 3; 245G.11, subdivisions 1, 10; 245G.13, subdivision 1; 245G.20; 245G.22, subdivisions 2, 7, 15; 253B.18, subdivision 6; 254A.19, subdivisions 1, 3, by adding subdivisions; 254B.01, subdivision 5, by adding subdivisions; 254B.03, subdivisions 1, 4, 5; 254B.04, subdivision 2a, by adding subdivisions; 256.01, by adding a subdivision; 256.042, subdivisions 1, 2, 5; 256.043, subdivision 1, by adding a subdivision; 256.045, subdivision 3; 256B.0651, subdivisions 1, 2; 256B.0652, subdivision 11; 256B.0653, subdivision 6; 256B.0659, subdivisions 1, 12, 19, 24; 256B.0757, subdivision 5; 256B.0913, subdivisions 4, 5; 256B.0941, subdivision 3, by adding subdivisions; 256B.0946, subdivision 7; 256B.0949, subdivision 15; 256B.4911, by adding a subdivision; 256B.4914, subdivisions 8, as amended, 9, as amended; 256B.85, by adding a subdivision; 256D.03, by adding a subdivision; 256D.0515; 256D.0516, subdivision 2; 256D.06, subdivisions 1, 2, 5; 256D.09, subdivision 2a; 256E.33, subdivisions 1, 2; 256E.36, subdivision 1; 256I.03, subdivisions 7, 13; 256I.04, subdivision 3; 256I.06, subdivision 6; 256I.09; 256J.08, subdivisions 71, 79; 256J.21, subdivision 4; 256J.33, subdivision 2; 256J.37, subdivisions 3, 3a; 256J.95, subdivision 19; 256K.26, subdivisions 2, 6, 7; 256K.45, subdivision 3, by adding a subdivision; 256L.12, subdivision 8; 256N.26, subdivision 14; 256P.01, by adding a subdivision; 256P.04, subdivision 11; 256P.07, subdivisions 1, 2, 3, 4, 6, 7, by adding subdivisions; 256Q.06, by adding a subdivision; 256R.02, subdivisions 4, 17, 18, 19, 22, 29, 42a, 48a, by adding subdivisions; 256R.07, subdivisions 1, 2, 3; 256R.08, subdivision 1; 256R.09, subdivisions 2, 5; 256R.13, subdivision 4; 256R.16, subdivision 1; 256R.17, subdivision 3; 256R.26, subdivision 1; 256R.261, subdivision 13; 256R.37; 256R.39; 256S.15, subdivision 2; 256S.16; 256S.18, subdivision 1, by adding a subdivision; 256S.19, subdivision 3; 256S.211, by adding subdivisions; 256S.212; 256S.213; 256S.214; 256S.215; 260.012; 260.761, subdivision 2; 260B.157, subdivisions 1, 3; 260B.331, subdivision 1; 260C.001, subdivision 3; 260C.007, subdivision 27; 260C.151, subdivision 6; 260C.152, subdivision 5; 260C.175, subdivision 2; 260C.176, subdivision 2; 260C.178, subdivision 1; 260C.181, subdivision 2; 260C.193, subdivision 3; 260C.201, subdivisions 1, 2; 260C.202; 260C.203; 260C.204; 260C.221; 260C.331, subdivision 1; 260C.451, subdivision 8, by adding subdivisions; 260C.513; 260C.607, subdivisions 2, 5; 260C.613, subdivisions 1, 5; 260E.01; 260E.02, subdivision 1; 260E.03, by adding subdivisions; 260E.14, subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 1; 260E.22, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.34; 260E.35, subdivision 6; 268.19, subdivision 1; 299A.299, subdivision 1; 626.557, subdivisions 4, 9, 9b, 9c, 9d, 10, 10b, 12b; 626.5571, subdivisions 1, 2; 626.5572, subdivisions 2, 4, 17; Minnesota Statutes 2021 Supplement, sections 16A.151, subdivision 2; 62A.673, subdivision 2; 148F.11, subdivision 1; 151.066, subdivision 3; 245.467, subdivisions 2, 3; 245.4871, subdivision 21; 245.4876, subdivisions 2, 3; 245.4885, subdivision 1; 245.4889, subdivision 1; 245.735, subdivision 3; 245A.03, subdivision 7; 245A.043, subdivision 3; 245I.02, subdivisions 19, 36; 245I.03, subdivision 9; 245I.04, subdivision 4; 245I.05, subdivision 3; 245I.08, subdivision 4; 245I.09, subdivision 2; 245I.10, subdivisions 2, 6; 245I.20, subdivision 5; 245I.23, subdivision 22, by adding a subdivision; 254A.03, subdivision 3; 254A.19, subdivision 4; 254B.03, subdivision 2; 254B.04, subdivision 1; 254B.05, subdivisions 1a, 4, 5; 256.01, subdivision 42; 256.042, subdivision 4; 256.043, subdivisions 3, 4; 256B.0622, subdivision 2; 256B.0625, subdivisions 3b, 5m; 256B.0671, subdivision 6; 256B.0759, subdivision 4; 256B.0911, subdivision 3a; 256B.0946, subdivisions 1, 1a, 2, 3, 4, 6; 256B.0947, subdivisions 2, 3, 5, 6; 256B.0949, subdivisions 2, 13; 256B.85, subdivisions 7, 8; 256B.851, subdivision 5; 256I.06, subdivision 8; 256J.21, subdivision 3; 256J.33, subdivision 1; 256L.03, subdivision 2; 256N.26, subdivision 11; 256P.01, subdivision 6a; 256P.04, subdivisions 4, 8; 256P.06, subdivision 3; 256S.21;

256S.2101, subdivision 2, by adding a subdivision; 260C.007, subdivision 14; 260C.157, subdivision 3; 260C.212, subdivisions 1, 2; 260C.605, subdivision 1; 260C.607, subdivision 6; 260E.03, subdivision 22; 260E.20, subdivision 2; Laws 2009, chapter 79, article 13, section 3, subdivision 10, as amended; Laws 2019, chapter 63, article 3, section 1, as amended; Laws 2020, First Special Session chapter 7, section 1, subdivision 1, as amended; Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 2; Laws 2021, First Special Session chapter 7, article 16, sections 2, subdivisions 29, 31, 33; 12; article 17, sections 1, subdivision 2; 3; 6; 10; 11; 12; 14, subdivision 3; 17, subdivision 3; Laws 2021, First Special Session chapter 8, article 6, section 1, subdivision 7; Laws 2022, chapter 33, section 1, subdivisions 5a, 9a; proposing coding for new law in Minnesota Statutes, chapters 3; 181; 245; 245A; 256E; 256P; repealing Minnesota Statutes 2020, sections 169A.70, subdivision 6; 245A.03, subdivision 5; 245F.15, subdivision 2; 245G.11, subdivision 2; 245G.22, subdivision 19; 246.0136; 252.025, subdivision 7; 252.035; 254A.02, subdivision 8a; 254A.04; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2; 254B.04, subdivisions 2b, 2c; 254B.041, subdivision 2; 254B.14, subdivisions 1, 2, 3, 4, 6; 256D.055; 256J.08, subdivisions 10, 61, 62, 81, 83; 256J.30, subdivisions 5, 7; 256J.33, subdivisions 3, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256R.08, subdivision 2; 256R.49; 256S.19, subdivision 4; Minnesota Statutes 2021 Supplement, sections 254A.19, subdivision 5; 254B.14, subdivision 5; 256J.08, subdivision 53; 256J.30, subdivision 8; 256J.33, subdivision 4; Minnesota Rules, parts 2960.0460, subpart 2; 9530.6565, subpart 2; 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, 6; 9530.7020, subparts 1, 1a, 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; 9530.7030, subpart 1; 9555.6255."

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

The report was adopted.

Mariani from the Committee on Public Safety and Criminal Justice Reform Finance and Policy to which was referred:

H. F. No. 4608, A bill for an act relating to public safety; amending certain statutes regarding public safety and corrections; providing for grant programs; requiring reports; appropriating money for courts, civil legal services, Guardian Ad Litem Board, Board Of Public Defense, human rights, public safety, Peace Officer Standards and Training Board, private detective board, and corrections; amending Minnesota Statutes 2020, sections 299C.063, subdivision 2, by adding a subdivision; 326.3382, subdivision 2; 611A.31, subdivision 2, by adding a subdivision; 611A.32, subdivisions 1, 1a, 2, 3; 611A.345; 611A.35; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 11, article 1, 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 "2022" and "2023" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending

June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**
Sec. 2. **PUBLIC SAFETY**		
Subdivision 1. **Total Appropriation**	**$15,000,000**	**$146,655,000**

Appropriations by Fund

	2022	2023
Trunk Highway	-0-	252,000
Special Revenue	-0-	2,600,000
General	15,000,000	143,803,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Emergency Management**	-0-	4,225,000

(a) **Local Government Emergency Management**

$1,500,000 in fiscal year 2023 is for grants in equal amounts to the emergency management organizations of the 87 counties, 11 federally recognized Tribes, and four cities of the first class for planning and preparedness activities, including capital purchases. Local emergency management organizations must make a request to the Homeland Security and Emergency Management Division for these grants. Current local funding for emergency management and preparedness activities may not be supplanted by these additional state funds. 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 local government emergency management grant program.

By March 15, 2023, the commissioner of public safety must submit a report on the grant awards to the chairs and ranking minority members of the legislative committees with jurisdiction over emergency management and preparedness activities. At a minimum, the report must identify grant recipients and summarize grantee activities.

(b) **First Responder Wellness Office**

$2,000,000 in fiscal year 2023 is to establish an office that will provide leadership and resources for improving the mental health of first responders statewide. The base is $1,000,000 in fiscal year 2024 and thereafter.

(c) **Mutual Aid Response Training** -0- 500,000

$500,000 in fiscal year 2023 is for mutual aid response training. This appropriation is onetime.

(d) **Supplemental Nonprofit Security Grants**

$225,000 in fiscal year 2023 is for supplemental nonprofit security grants under this paragraph.

Nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program that 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.

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.

Subd. 3. **Criminal Apprehension** -0- 5,664,000

(a) **Violent Crime Reduction Support**

$1,779,000 in fiscal year 2023 is to support violent crime reduction strategies. This includes funding for staff and supplies to enhance forensic and analytical capacity.

(b) **BCA Accreditation**

$186,000 in fiscal year 2023 is to support the Bureau of Criminal Apprehension to achieve and maintain law enforcement accreditation from an accreditation body. This includes funding for staff, accreditation costs, and supplies. The base is $170,000 in fiscal year 2024 and thereafter.

(c) **Cybersecurity Upgrades**

$2,391,000 in fiscal year 2023 is for identity and access management, critical infrastructure upgrades, and Federal Bureau of Investigation audit compliance. This appropriation is available through June 30, 2024. The base is $900,000 in fiscal year 2024 and thereafter.

(d) **Marijuana Penalties Modified**

$208,000 in fiscal year 2023 is for computer programming, forensic testing, and supplies related to changes in criminal penalties for marijuana. The base is $191,000 in fiscal year 2024 and thereafter.

(e) **Expungements**

$1,100,000 in fiscal year 2023 is for costs related to expungements of criminal records. The base is $520,000 in fiscal year 2024 and $0 for fiscal year 2025.

Subd. 4. **Office of Justice Programs; Total Appropriation** 15,000,000 119,498,000

Appropriations by Fund

Special Revenue	-0-	2,600,000
General	15,000,000	116,898,000

(a) **Minnesota Heals**

$1,000,000 in fiscal year 2023 is for a statewide community healing program; for statewide critical incident stress management services for first responders; and grants for trauma services and burial costs following officer-involved deaths. This appropriation may be used for new staff to support these programs. From this amount, the director may award a grant to a nonprofit that provides equine experiential mental health therapy to first responders suffering from job-related trauma and post-traumatic stress disorder. For purposes of this paragraph, "first responder" means a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); a full-time firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 5; or a volunteer firefighter as defined in Minnesota Statutes, section 299N.03,

subdivision 7. If the commissioner issues a grant for equine experiential mental health therapy, the grant recipient must report to the commissioner of public safety and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the therapy provided to first responders. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of first responders served by the program, and a list and explanation of the services provided to, and benefits received by, program participants. An initial report is due by January 15, 2023, and a final report is due by January 15, 2024.

(b) **General Crime and Trauma Recovery Grants Funding**

$1,000,000 in fiscal year 2023 is for programs supporting victims of general crime. These funds may also be used to establish trauma recovery centers in the state to support victims of violent crime who experience trauma and are in need of services and provide new staff to support these programs.

(c) **Youth Development Grants**

$500,000 in fiscal year 2023 is to provide grants to programs serving youth and for youth violence intervention and prevention programs. Priority for these funds must be given to programs that employ or utilize trauma-informed therapists to support the youth the programs serve. These funds may be used to administer these grants.

(d) **Crossover and Dual-Status Youth Model Grants**

$1,000,000 in fiscal year 2023 from the prevention services account in the special revenue fund is to provide grants to local units of government and federally recognized Indian Tribes to initiate or expand crossover youth practice model and dual-status youth programs that provide services for youth who are in both the child welfare and juvenile justice systems, in accordance with the Robert F. Kennedy National Resource Center for Juvenile Justice model.

(e) **Staffing and Board Expenses**

$3,639,000 in fiscal year 2023 is to increase staffing in the Office of Justice Programs for grant management and compliance; build capacity and provide technical assistance to applicants; provide training to individuals and entities seeking to become applicants; perform community outreach and engagement to improve the experiences and outcomes of applicants, grant recipients, and crime victims throughout Minnesota; establish and support a final review panel; and maintain a Minnesota Statistical Analysis Center

to create ongoing grant evaluation programs and other research and data analysis. These funds may also be used for the per diem and other costs necessary to establish and support the Public Safety Innovation Board.

(f) **Community-Based Public Safety Grants**

$1,530,000 in fiscal year 2023 is for community-based public safety grants. The base is $315,000 in fiscal year 2024 and thereafter.

(g) **Prosecutor Training**

$25,000 in fiscal year 2023 is for prosecutor training.

(h) **Alternatives to Juvenile Detention - Youth Conflict Resolution Centers Grants**

$1,400,000 in fiscal year 2023 is to establish and maintain youth conflict resolution centers as alternatives to juvenile detention.

(i) **Direct Assistance to Crime Victim Survivors**

$4,000,000 in fiscal year 2023 is for an increase in base funding for crime victim services for the Office of Justice Programs 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 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 of Justice Programs shall prioritize culturally specific programs, or organizations led and staffed by persons of color that primarily serve communities of color, in funding allocation. The base is $2,000,000 in fiscal year 2024 and thereafter.

(j) **Combatting Sex Trafficking**

$1,500,000 in fiscal year 2023 is for grants to state and local units of government for the following purposes:

(1) to support new or existing multijurisdictional entities to investigate sex trafficking crimes; and

(2) to provide technical assistance for sex trafficking crimes, including case consultation, to law enforcement agencies statewide.

(k) **Epinephrine Auto-Injector Reimbursement Grants**

$1,000,000 in fiscal year 2023 is for grants to local law enforcement agencies to reimburse the costs of obtaining epinephrine auto-injectors and replacing epinephrine auto-injectors that have expired.

(l) **Office of Missing and Murdered Black Women and Girls**

$500,000 in fiscal year 2023 is to establish and operate the Office of Missing and Murdered Black Women and Girls.

(m) **Reward Fund for Missing and Murdered Indigenous Relatives**

$110,000 in fiscal year 2023 is to pay rewards for information related to investigations of missing and murdered Indigenous relatives under Minnesota Statutes, section 299A.86.

(n) **Youth Intervention Program**

$1,000,000 in fiscal year 2023 is for the youth intervention grants program under Minnesota statutes, section 299A.73. Money appropriated under this section is available to programs that are currently supported by youth intervention program grants. This is a onetime appropriation.

(o) **Task Force on the Statewide Response to Substance Abuse**

$144,000 in fiscal year 2023 is to implement the Task Force on the Statewide Response to Substance Abuse. The base is $154,000 in fiscal year 2024 and $66,000 in fiscal year 2025. The base is $0 in fiscal year 2026 and thereafter.

(p) **Task Force on a Coordinated Approach to Juvenile Wellness and Justice**

$150,000 in fiscal year 2023 is to implement the Task Force on a Coordinated Approach to Juvenile Wellness and Justice. This is a onetime appropriation.

(q) **Juvenile Prevention Services**

In fiscal year 2023, $150,000 from the general fund and $1,600,000 from the prevention services account in the special revenue fund are appropriated for grants to provide prevention services. Grant recipients may be local units of government,

federally recognized Indian Tribes, or nonprofit organizations. Recipients must use funds to establish or support programs designed to prevent juveniles from entering the criminal or juvenile justice systems through approaches that encourage a youth's involvement in the community, provide wrap-around services for at-risk youth, or include culturally appropriate behavioral health interventions for youth. Specific programs may include but are not limited to after-school programs, mentorship programs, tutoring programs, programs that employ restorative justice techniques such as peacemaking circles, or programs based on the Developmental Assets Framework of the Search Institute.

(r) **Juvenile Intervention Services**

$2,500,000 in fiscal year 2023 is to provide intervention and healing services. Grant recipients may be local units of government, federally recognized Indian Tribes, or nonprofit organizations. Recipients must use funds to provide intervention services to youth involved in the juvenile or criminal justice systems. Intervention services must engage youth who have been involved in the justice system with the aim to create community connections between the youth and their community, promote community healing, and employ restorative justice techniques such as circles, panels, or victim-offender mediation.

(s) **Mental Health Services and Wellness Support for Juveniles and Families**

$1,750,000 in fiscal year 2023 is for grants to organizations to provide mental health and wellness support services for youth involved in the juvenile justice system and their families. Funding for mental health services is for individuals or organizations that provide mental health services for youth involved in the juvenile justice system, including residential settings or community-based treatment. Funds must be used to support programs designed with input from youth with lived experience, as well as individuals with professional expertise. Wellness support services for families of young people placed out of home following a juvenile delinquency adjudication must create family support groups, provide resources to support families during out-of-home placements, or support the family through the period of post-placement reentry.

(t) **Local Community Innovation Grants**

$55,000,000 in fiscal year 2023 is for local community innovation grants. The base is $30,000,000 in fiscal year 2024 and beyond. Any unencumbered grant balances at the end of the fiscal year do not cancel but are available for grants in the following year.

(u) **Emergency Community Safety Grants**

$15,000,000 in fiscal year 2022 is for grants to crime prevention programs for the purpose of providing public safety. Any unencumbered balance at the end of fiscal year 2023 does not cancel but is available for the purposes of this section until spent. This is a onetime appropriation.

(v) **Local Co-Responder Grants**

$10,000,000 in fiscal year 2023 is for grants to establish, maintain, or expand the use of co-responder programs that work with law enforcement agencies. Any unencumbered balance at the end of the fiscal year does not cancel but is available for the purposes of this section until spent.

(w) **Local Community Policing Grants**

$15,000,000 in fiscal year 2023 is for local community policing grants. The base is $10,000,000 in each of fiscal years 2024 and 2025. The base is $0 in fiscal year 2026 and thereafter. Any unencumbered grant balances at the end of the fiscal year do not cancel but are available for grants in the following year.

(x) **Local Investigation Grants**

$15,000,000 in fiscal year 2023 is for local investigation grants. The base is $10,000,000 in each of fiscal years 2024 and 2025. The base is $0 in fiscal year 2026 and thereafter. Any unencumbered grant balances at the end of the fiscal year do not cancel but are available for grants in the following year.

Subd. 5. **State Patrol** -0- 252,000

(a) **Criminal Record Expungement**

$84,000 in fiscal year 2023 from the trunk highway fund is for costs related to criminal record expungement. The base is $168,000 in fiscal year 2024 and thereafter.

(b) **Marijuana Penalties Modified**

$168,000 in fiscal year 2023 from the trunk highway fund is for costs related to changes in marijuana criminal penalties.

Subd. 6. **Administrative Services** -0- 16,016,000

(a) **Public Safety Officer Soft Body Armor**

$1,000,000 in fiscal year 2023 is for public safety officer soft body armor reimbursements under Minnesota Statutes, section 299A.381. Of this amount, the commissioner may use up to $60,000 to staff and administer the program.

(b) **Body Camera Grants**

$9,000,000 in fiscal year 2023 is for grants to local law enforcement agencies for portable recording systems. The commissioner shall award grants to local law enforcement agencies for the purchase and maintenance of portable recording systems and portable recording system data. The base is $4,500,000 in fiscal year 2024 and thereafter.

(c) **Body Camera Data Storage**

$6,016,000 in fiscal year 2023 is to develop and administer a statewide cloud-based body camera data storage program. Of this amount, the commissioner may use up to $1,000,000 for staff and operating costs to administer this program and the body camera grants program in the preceding section. The base is $6,036,000 in fiscal year 2024 and $6,057,000 in fiscal year 2025.

Subd. 7. **Emergency Communication Networks** -0- 1,000,000

(a) **Local Grants**

$1,000,000 in fiscal year 2023 is for grants to local government units participating in the statewide public safety radio communication system established under Minnesota Statutes, section 403.36. The grants must be used to purchase portable radios and related equipment that is interoperable with the Allied Radio Matrix for Emergency Response (ARMER) system. Each local government unit may receive only one grant. The grant is contingent upon a match of at least five percent from nonstate funds. The director of the Emergency Communication Networks division, in consultation with the Statewide Emergency Communications Board, must administer the grant program. This is a onetime appropriation.

(b) **Public Safety Telecommunicator Certification and Training Reimbursement Grants**

$1,450,000 in fiscal year 2023 is appropriated from the nondedicated 911 emergency special revenue account for administrative and software costs and rulemaking to establish and review 911 public safety telecommunicator certification and continuing education standards as described in Minnesota Statutes, section 403.051. The base is $1,000,000 in each of fiscal years 2024 and 2025.

Sec. 3. **PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD** **$165,000** **$1,550,000**

(a) **Database for Public Records**

$165,000 in fiscal year 2023 is for a database for public records. This is a onetime appropriation.

(b) **Task Force on Alternative Courses to Peace Officer Licensure**

$50,000 in fiscal year 2023 is for a task force on alternative courses to peace officer licensure. This is a onetime appropriation.

(c) **Investigators**

$1,250,000 in fiscal year 2023 is to hire investigators and additional staff to perform compliance reviews and investigate alleged code of conduct violations and to obtain or improve equipment for that purpose.

(d) **Strength and Agility Testing**

$250,000 in fiscal year 2023 is to reimburse law enforcement agencies for funding scientifically content-validated and job-related physical strength and agility examinations to screen applicants as required under Minnesota Statutes, section 626.843, subdivision 1c. The board must establish guidelines for the administration of reimbursement payments under this section.

Sec. 4. **PRIVATE DETECTIVE BOARD** **$80,000** **$518,000**

(a) **Record Management System and Background Checks**

$80,000 in fiscal year 2022 and $18,000 in fiscal year 2023 are to purchase and implement a record management system.

(b) **Investigations and Field Audits**

$430,000 is for additional staffing to conduct investigations and field audits.

(c) **Review Training Curriculum**

$70,000 in fiscal year 2023 is for an annual review of training curriculum.

Sec. 5. **CORRECTIONS**

Subdivision 1. **Total Appropriation** **$1,000,000** **$29,110,000**

Subd. 2. **Incarceration and Prerelease Services** -0- 5,140,000

(a) **Base Adjustment**

The general fund base, as a result of new appropriations and bed impact changes, shall result in a net increase of $5,960,000 in fiscal year 2024 and $5,950,000 in fiscal year 2025 for all provisions in this subdivision.

(b) **Body-Worn Camera Program**

$1,500,000 in fiscal year 2023 is to implement a body-worn camera program for uniformed correctional security personnel and community-based supervision agents. The base is $1,000,000 in fiscal year 2024 and thereafter.

(c) **Family Support Unit**

$280,000 in fiscal year 2023 is to create a family support unit that focuses on family support and engagement for incarcerated individuals and their families.

(d) **Higher Education**

$2,000,000 in fiscal year 2023 is to contract with Minnesota's institutions of higher education to provide instruction to incarcerated individuals in state correctional facilities and to support partnerships with public and private employers, trades programs, and community colleges in providing employment opportunities for individuals after their term of incarceration. Funding must be used for contracts with institutions of higher education and other training providers, and associated reentry and operational support services provided by the agency. The base is $3,500,000 in fiscal year 2024 and thereafter.

(e) **Family Communication and Support Services**

$1,500,000 in fiscal year 2023 is to provide communications and related supportive services for incarcerated individuals to connect with family members and other approved support persons or service providers through video visits and phone calls during an individual's incarceration.

Subd. 3. **Community Supervision and Postrelease Services** -0- 12,050,000

(a) **Grants Management System**

$450,000 in fiscal year 2023 is for a grants management system and to increase capacity for grants management, including compliance and internal controls. The base is $489,000 in fiscal year 2024 and thereafter.

(b) **Supervision Services**

$10,450,000 in fiscal year 2023 is for services provided by the Department of Corrections Field Services, County Probation Officers, and Community Corrections Act counties. The base is $25,750,000 in fiscal year 2024 and $38,300,000 in fiscal year 2025.

(c) **Work Release Program**

$1,000,000 in fiscal year 2023 is to expand the use of the existing Department of Corrections work release program to increase the availability of educational programming for incarcerated individuals who are eligible and approved for work release.

(d) **Healing House**

$150,000 in fiscal year 2023 is to provide project management services in support of the Healing House model. The Healing House provides support and assistance to Native American women who have been victims of trauma. The base is $0 in fiscal year 2026 and thereafter.

Subd. 4. **Organizational, Regulatory, and Administrative Services** 1,000,000 11,920,000

(a) **Technology**

$1,000,000 in fiscal year 2022 and $11,000,000 in fiscal year 2023 are to replace or improve existing corrections data management systems that have significant deficiencies, create a statewide public safety information sharing infrastructure, and improve data collection and reportability. The base is $17,500,000 in fiscal year 2024 and thereafter.

In the development, design, and implementation of the statewide public safety data information sharing infrastructure, the department shall, at a minimum, consult with county correctional supervision providers, the judicial branch, the Minnesota Sheriffs' Association, the Minnesota Chiefs of Police Association, and the Bureau of Criminal Apprehension.

(b) **Property Insurance Premiums**

$650,000 in fiscal year 2023 is to fund cost increases for property insurance premiums at state correctional facilities.

(c) **Project Management Office**

$230,000 in fiscal year 2023 is to expand the Department of Corrections project management office, including the addition of two project manager full-time-equivalent positions.

(d) **Indeterminate Sentence Release Board**

$40,000 in fiscal year 2023 is to fund the establishment of an Indeterminate Sentence Release Board (ISRB) to review eligible cases and make release decisions for persons serving indeterminate sentences under the authority of the commissioner of corrections.

The ISRB must consist of five members, including four persons appointed by the governor from two recommendations of each of the majority and minority leaders of the house of representatives and the senate and the commissioner of corrections who shall serve as chair.

Sec. 6. **OMBUDSPERSON FOR CORRECTIONS** **$21,000** **$12,000**

Sec. 7. **OFFICE OF HIGHER EDUCATION** **$-0-** **$2,500,000**

$2,500,000 in fiscal year 2023 is to provide reimbursement grants to postsecondary schools certified to provide programs of professional peace officer education for providing in-service training programs for peace officers on the proper use of force, including deadly force, the duty to intercede, and conflict de-escalation. 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 consist of no less than eight hours of instruction and:

(1) satisfy the requirements of Minnesota Statutes, section 626.8452, and be approved by the Peace Officer Standards and Training Board, for use of force training;

(2) utilize scenario-based training that simulates real-world situations and involves the use of real firearms that fire nonlethal ammunition when appropriate;

(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 an officer's law enforcement agency.

A postsecondary school that offers training consistent with the above requirements may apply for reimbursement for the costs of offering the training. Reimbursement shall be made at a rate of $450 for each officer who participates in the training. The postsecondary school must submit the name and peace officer license number of the peace officer who received the training.

As used in this section, "law enforcement agency" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (f), and "peace officer" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c).

Sec. 8. **CLEMENCY REVIEW COMMISSION** **$-0-** **$705,000**

Sec. 9. **PUBLIC DEFENSE BOARD** **$-0-** **$600,000**

$600,000 in fiscal year 2023 is for costs related to petitions for relief for aiding and abetting felony murder. This is a onetime appropriation.

Sec. 10. **OFFICE OF THE ATTORNEY GENERAL** **$-0-** **$1,821,000**

$1,821,000 in fiscal year 2023 is for enhanced criminal enforcement.

Sec. 11. **SENTENCING GUIDELINES COMMISSION** **$-0-** **$117,000**

$117,000 in fiscal year 2023 is for providing meeting space and administrative assistance for the Task Force on Collection of Charging and Related Data. The base is $121,000 in fiscal year 2024 and $0 for fiscal year 2025.

Sec. 12. **TRANSFERS; MINNCOR.**

$7,000,000 in fiscal year 2023 is transferred from the MINNCOR fund to the general fund.

Sec. 13. **TRANSFER; OPIATE EPIDEMIC RESPONSE.**

$10,000,000 in fiscal year 2023 is transferred from the general fund to the opiate epidemic response fund established pursuant to Minnesota Statutes, section 256.043. Grants issued from this amount are for prevention and education as described in Minnesota Statutes, section 256.042, subdivision 1, paragraph (a), clause (1). Grant recipients must be located outside the seven-county metropolitan area.

Sec. 14. **FUND TRANSFER; HOMETOWN HEROES ASSISTANCE PROGRAM.**

The commissioner of public safety shall transfer any amounts remaining in the appropriation under Laws 2021, First Special Session chapter 11, article 1, section 14, subdivision 7, paragraph (k), from the Office of Justice Programs to the state fire marshal for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program under Minnesota Statutes, section 299A.477.

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

ARTICLE 2
GENERAL CRIMES AND PUBLIC SAFETY POLICY

Section 1. Minnesota Statutes 2020, section 13.6905, is amended by adding a subdivision to read:

Subd. 36. **Direct wine shipments.** Data obtained and shared by the commissioner of public safety relating to direct shipments of wine are governed by sections 340A.550 and 340A.555.

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

Sec. 2. Minnesota Statutes 2020, section 13.825, subdivision 2, is amended to read:

Subd. 2. **Data classification; court-authorized disclosure.** (a) Data collected by a portable recording system are private data on individuals or nonpublic data, subject to the following:

(1) data that document the discharge of a firearm by a peace officer in the course of duty, if a notice is required under section 626.553, subdivision 2, or the use of force by a peace officer that results in substantial bodily harm, as defined in section 609.02, subdivision 7a, are public;

(2) data are public if a subject of the data requests it be made accessible to the public, except that, if practicable, (i) data on a subject who is not a peace officer and who does not consent to the release must be redacted, and (ii) data on a peace officer whose identity is protected under section 13.82, subdivision 17, clause (a), must be redacted;

(3) portable recording system data that are active criminal investigative data are governed by section 13.82, subdivision 7, and portable recording system data that are inactive criminal investigative data are governed by this section;

(4) portable recording system data that are public personnel data under section 13.43, subdivision 2, clause (5), are public; and

(5) data that are not public data under other provisions of this chapter retain that classification.

(b) Notwithstanding section 13.82, subdivision 7, a deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children is entitled to view any and all recordings from a peace officer's portable recording system, redacted no more than what is required by law, of an officer's use of deadly force no later than five business days following an incident where deadly force used by a peace officer results in the death of an individual, except that a chief law enforcement officer may deny a request if the investigating agency requests and can articulate a compelling reason as to why allowing the deceased individual's next of kin, legal representative of next of kin, or other parent of the deceased individual's children to review the recordings would interfere with a thorough investigation. If the chief law enforcement officer denies a request under this paragraph, the involved officer's agency must issue a prompt, written denial and provide notice to the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children that relief may be sought from the district court.

(c) Notwithstanding section 13.82, subdivision 7, an involved officer's agency shall release to the public no later than 14 business days after an incident all body-worn camera recordings of the incident where a peace officer used deadly force and an individual died, except that a chief law enforcement officer shall not release the video if the investigating agency asserts in writing that allowing the public to view the recordings would interfere with the ongoing investigation.

~~(b)~~ (d) A law enforcement agency may redact or withhold access to portions of data that are public under this subdivision if those portions of data are clearly offensive to common sensibilities.

~~(c)~~ (e) Section 13.04, subdivision 2, does not apply to collection of data classified by this subdivision.

~~(d)~~ (f) Any person may bring an action in the district court located in the county where portable recording system data are being maintained to authorize disclosure of data that are private or nonpublic under this section or to challenge a determination under paragraph (b) to redact or withhold access to portions of data because the data are clearly offensive to common sensibilities. The person bringing the action must give notice of the action to the law enforcement agency and subjects of the data, if known. The law enforcement agency must give notice to other subjects of the data, if known, who did not receive the notice from the person bringing the action. The court may

order that all or part of the data be released to the public or to the person bringing the action. In making this determination, the court shall consider whether the benefit to the person bringing the action or to the public outweighs any harm to the public, to the law enforcement agency, or to a subject of the data and, if the action is challenging a determination under paragraph (b), whether the data are clearly offensive to common sensibilities. The data in dispute must be examined by the court in camera. This paragraph does not affect the right of a defendant in a criminal proceeding to obtain access to portable recording system data under the Rules of Criminal Procedure.

Sec. 3. Minnesota Statutes 2020, 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. 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 perform these duties with the goal of promoting public safety. Promoting public safety includes the promotion of human rights. "Public safety" means reducing or preventing crime while maintaining the basic rights, freedoms, and privileges that belong to every person, including the right to dignity, fairness, equality, respect, and freedom from discrimination, and is achieved by diverting people away from the criminal justice system whenever

possible, imposing sanctions that are the least restrictive necessary to achieve accountability for the offense, preferring the use of community services to imprisonment or other confinement unless confinement is necessary to protect the public, and promoting the rehabilitation of those convicted through the provision of evidence-based programming and services.

Sec. 4. Minnesota Statutes 2020, section 244.09, subdivision 5, is amended to read:

Subd. 5. **Promulgation of Sentencing Guidelines.** The commission shall promulgate Sentencing Guidelines for the district court. The guidelines shall be based on reasonable offense and offender characteristics. The guidelines promulgated by the commission shall be advisory to the district court and shall establish:

(1) the circumstances under which imprisonment of an offender is proper; and

(2) a presumptive, fixed sentence for offenders for whom imprisonment is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines shall provide for an increase of 20 percent and a decrease of 15 percent in the presumptive, fixed sentence.

The Sentencing Guidelines promulgated by the commission may also establish appropriate sanctions for offenders for whom imprisonment is not proper. Any guidelines promulgated by the commission establishing sanctions for offenders for whom imprisonment is not proper shall make specific reference to noninstitutional sanctions, including but not limited to the following: payment of fines, day fines, restitution, community work orders, work release programs in local facilities, community based residential and nonresidential programs, incarceration in a local correctional facility, and probation and the conditions thereof.

Although the Sentencing Guidelines are advisory to the district court, the court shall follow the procedures of the guidelines when it pronounces sentence in a proceeding to which the guidelines apply by operation of statute. Sentencing pursuant to the Sentencing Guidelines is not a right that accrues to a person convicted of a felony; it is a procedure based on state public policy to maintain uniformity, proportionality, rationality, and predictability in sentencing.

In establishing and modifying the Sentencing Guidelines, the primary consideration of the commission shall be public safety. "Public safety" means reducing or preventing crime while maintaining the basic rights, freedoms, and privileges that belong to every person, including the right to dignity, fairness, equality, respect, and freedom from discrimination, and is achieved by diverting people away from the criminal justice system whenever possible, imposing sanctions that are the least restrictive necessary to achieve accountability for the offense, preferring the use of community services to imprisonment or other confinement unless confinement is necessary to protect the public, and promoting the rehabilitation of those convicted through the provision of evidence-based programming and services. Promoting public safety includes the promotion of human rights. The commission shall also consider current sentencing and release practices; correctional resources, including but not limited to the capacities of local and state correctional facilities; and the long-term negative impact of the crime on the community.

The provisions of sections 14.001 to 14.69 do not apply to the promulgation of the Sentencing Guidelines, and the Sentencing Guidelines, including severity levels and criminal history scores, are not subject to review by the legislative commission to review administrative rules. However, the commission shall adopt rules pursuant to sections 14.001 to 14.69 which establish procedures for the promulgation of the Sentencing Guidelines, including procedures for the promulgation of severity levels and criminal history scores, and these rules shall be subject to review by the Legislative Coordinating Commission.

Sec. 5. Minnesota Statutes 2021 Supplement, section 253B.18, subdivision 5a, is amended to read:

Subd. 5a. **Victim notification of petition and release; right to submit statement.** (a) As used in this subdivision:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4e, and also includes offenses listed in section 253D.02, subdivision 8, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime the behavior for which forms the basis for a commitment under this section or chapter 253D; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or chapter 253D that an act or acts constituting a crime occurred or were part of their course of harmful sexual conduct.

(b) A county attorney who files a petition to commit a person under this section or chapter 253D shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted. In addition, the county attorney shall make a reasonable effort to promptly notify the victim of the resolution of the petition and the process for requesting notification of an individual's change in status as provided in paragraph (c). A notice shall only be provided to a victim who has submitted a written request for notification to the prosecutor.

(c) A victim may request notification of an individual's discharge or release as provided in paragraph (d) by submitting a written request for notification to the executive director of the facility in which the individual is confined. The Department of Corrections or a county attorney who receives a request for notification from a victim under this section shall promptly forward the request to the executive director of the treatment facility in which the individual is confined.

(d) Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this section from a state-operated treatment program or treatment facility, the head of the state-operated treatment program or head of the treatment facility shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the medical director, special review board, or commissioner with respect to the person. To the extent possible, the notice must be provided at least 14 days before any special review board hearing or before a determination on a pass plan. Notwithstanding section 611A.06, subdivision 4, the commissioner shall provide the judicial appeal panel with victim information in order to comply with the provisions of this section. The judicial appeal panel shall ensure that the data on victims remains private as provided for in section 611A.06, subdivision 4. These notices shall only be provided to victims who have submitted a written request for notification as provided in paragraph (c).

(e) The rights under this subdivision are in addition to rights available to a victim under chapter 611A. This provision does not give a victim all the rights of a "notified person" or a person "entitled to statutory notice" under subdivision 4a, 4b, or 5 or section 253D.14.

Sec. 6. Minnesota Statutes 2021 Supplement, section 253D.14, subdivision 2, is amended to read:

Subd. 2. **Notice of filing petition.** A county attorney who files a petition to commit a person under this chapter shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted or was listed as a victim in the petition of commitment. In addition, the county attorney shall make a reasonable and good faith effort to promptly notify the victim of the resolution of the process for requesting the notification of an individual's change in status as provided in section 253D.14, subdivision 3. A notice shall only be provided to a victim who has submitted a written request for notification to the prosecutor.

Sec. 7. Minnesota Statutes 2020, section 256I.04, subdivision 2g, is amended to read:

Subd. 2g. **~~Crisis shelters~~ Domestic abuse programs.** ~~Secure crisis shelters for battered women and their children designated by the Minnesota Department of Corrections~~ Programs that provide services to victims of domestic abuse designated by the Office of Justice Programs in the Department of Public Safety are not eligible for housing support under this chapter.

Sec. 8. Minnesota Statutes 2020, section 299A.01, is amended by adding a subdivision to read:

Subd. 1d. **Mandated reports; annual audit.** (a) Beginning February 15, 2023, and each year thereafter, the commissioner, as part of the department's mission and within the department's resources, shall report to the chairs and ranking minority members of the legislative committees having jurisdiction over public safety policy and finance a list of reports that the commissioner is obligated to submit to the legislature. For each reporting requirement listed, the commissioner must include a description of the applicable program, information required to be included in the report, the frequency that the report must be completed, and the statutory authority for the report.

(b) If the legislature does not repeal or otherwise modify by law a reporting requirement, the commissioner must continue to provide each mandated report as required by law.

Sec. 9. Minnesota Statutes 2020, section 299A.01, subdivision 2, is amended to read:

Subd. 2. **Duties of commissioner.** (a) The duties of the commissioner shall include the following:

(1) the coordination, development and maintenance of services contracts with existing state departments and agencies assuring the efficient and economic use of advanced business machinery including computers;

(2) the execution of contracts and agreements with existing state departments for the maintenance and servicing of vehicles and communications equipment, and the use of related buildings and grounds;

(3) the development of integrated fiscal services for all divisions, and the preparation of an integrated budget for the department;

(4) the publication and award of grant contracts with state agencies, local units of government, and other entities for programs that will benefit the safety of the public; and

(5) the establishment of a planning bureau within the department.

(b) The commissioner shall exercise the duties under paragraph (a) with the goal of promoting public safety. Promoting public safety includes the promotion of human rights. "Public safety" means reducing or preventing crime by diverting people away from the criminal justice system whenever possible, effecting arrest or detention practices that are the least restrictive necessary to protect the public, and promoting the rehabilitation of those who engage in criminal activity by providing evidence-based programming and services, while still maintaining the basic rights, freedoms, and privileges that belong to every person, including the right to dignity, fairness, equality, respect, and freedom from discrimination.

Sec. 10. **[299A.381] PUBLIC SAFETY OFFICER SOFT BODY ARMOR REIMBURSEMENT.**

Subdivision 1. **Definitions.** As used in this section:

(1) "commissioner" means the commissioner of public safety;

(2) "firefighter" means a volunteer, paid on-call, part-time, or career firefighter serving a general population within the boundaries of the state;

(3) "public safety officer" means a firefighter or qualified emergency medical service provider;

(4) "qualified emergency medical service provider" means a person certified under section 144E.101 who is actively employed by a Minnesota licensed ambulance service; and

(5) "vest" has the meaning given in section 299A.38, subdivision 1, paragraph (c).

Subd. 2. **State and local reimbursement.** Public safety officers and heads of agencies and entities that buy vests for the use of public safety officer employees may apply to the commissioner for reimbursement of funds spent to buy vests. On approving an application for reimbursement, the commissioner shall pay the applicant an amount equal to the lesser of one-half of the vest's purchase price or the reimbursement amount set by the commissioner in section 299A.38, subdivision 2a. The political subdivision or entity that employs a public safety officer shall pay at least the lesser of one-half of the vest's purchase price or the reimbursement amount set by the commissioner in section 299A.38, subdivision 2a. The employer may not deduct or pay its share of the vest's cost from any clothing, maintenance, or similar allowance otherwise provided to the public safety officer by the employer.

Subd. 3. **Eligibility requirements.** The eligibility requirements in section 299A.38, subdivision 3, apply to applications for reimbursement under this section.

Subd. 4. **Rules.** The commissioner shall amend the rules adopted pursuant to section 299A.38, subdivision 4, to administer this section, as needed.

Subd. 5. **Limitation of liability.** A state agency, political subdivision of the state, state or local government employee, or other entity that provides reimbursement for purchase of a vest under this section is not liable to a public safety officer or the public safety officer's heirs for negligence in the death of or injury to the public safety officer because the vest was defective or deficient.

Subd. 6. **Right to benefits unaffected.** A public safety officer who is reimbursed for the purchase of a vest under this section and who suffers injury or death because the officer failed to wear the vest, or because the officer wore a vest that was defective or deficient, may not lose or be denied a benefit or right, including a benefit under section 299A.44, to which the officer, or the officer's heirs, is otherwise entitled.

Sec. 11. Minnesota Statutes 2020, section 299A.49, subdivision 2, is amended to read:

Subd. 2. ~~**Chemical assessment**~~ **Hazardous materials response team.** "~~Chemical assessment~~ Hazardous materials response team" means a team (1) trained, equipped, and authorized to evaluate and, when ~~possible~~ feasible, provide ~~simple~~ mitigation to a hazardous materials incident or release and (2) required to recommend to the local incident manager the best means of controlling the hazard after consideration of life safety concerns, environmental effects, exposure hazards, quantity and type of hazardous material, availability of resources, or other relevant factors.

Sec. 12. Minnesota Statutes 2020, section 299A.50, subdivision 1, is amended to read:

Subdivision 1. **Elements of plan; rules.** After consultation with the commissioners of natural resources, agriculture, transportation, and the Pollution Control Agency, the ~~state fire marshal~~ Department of Public Safety, the Emergency Response Commission, appropriate technical emergency response representatives, and representatives of affected parties, the commissioner shall adopt rules to implement a statewide hazardous materials incident response plan. The plan must include:

(1) the locations of ~~up to five regional~~ hazardous materials response teams, based on the location of hazardous materials, response time, proximity to large population centers, and other factors;

(2) the number and qualifications of members on each team;

(3) the responsibilities of ~~regional~~ hazardous materials response teams;

(4) equipment needed for ~~regional~~ hazardous materials response teams;

(5) procedures for selecting and contracting with local governments or nonpublic persons to establish ~~regional~~ hazardous materials response teams;

(6) procedures for dispatching teams at the request of local governments;

(7) a fee schedule for reimbursing local governments or nonpublic persons responding to an incident; and

(8) coordination with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, and other nonpublic persons.

Sec. 13. Minnesota Statutes 2020, section 299A.51, is amended to read:

299A.51 LIABILITY AND WORKERS' COMPENSATION.

Subdivision 1. **Liability.** During operations authorized under section 299A.50, members of a ~~regional~~ hazardous materials team operating outside their geographic jurisdiction are "employees of the state" as defined in section 3.736.

Subd. 2. **Workers' compensation.** During operations authorized under section 299A.50, members of a ~~regional~~ hazardous materials team operating outside their geographic jurisdiction are considered employees of the Department of Public Safety for purposes of chapter 176.

Subd. 3. **Limitation.** A person who provides personnel and equipment to assist at the scene of a hazardous materials response incident outside the person's geographic jurisdiction or property, at the request of the state or a local unit of government, is not liable for any civil damages resulting from acts or omissions in providing the assistance, unless the person acts in a willful and wanton or reckless manner in providing the assistance.

Sec. 14. **[299A.625] PUBLIC SAFETY INNOVATION BOARD.**

Subdivision 1. **Establishment.** The Public Safety Innovation Board is established in the Office of Justice Programs within the Department of Public Safety. The board has the powers and duties described in this section.

Subd. 2. **Membership.** (a) The Public Safety Innovation Board is composed of the following members:

(1) three individuals with experience conducting research in the areas of crime, policing, or sociology while employed by an academic or nonprofit entity, appointed by the governor;

(2) five individuals appointed by the governor of whom:

(i) one shall be a victim of a crime or an advocate for victims of crime;

(ii) one shall be a person impacted by the criminal justice system or an advocate for defendants in criminal cases; and

(iii) one shall have a background in social work;

(3) four members representing the community-specific boards established under sections 3.922 and 15.0145, with one appointment made by each board; and

(4) three members representing law enforcement, with one appointment by the Minnesota Sheriffs' Association, one by the Minnesota Chiefs of Police Association, and one by the Minnesota Police and Peace Officers Association.

(b) The members of the board shall elect one member to serve as chair.

Subd. 3. **Terms; removal; vacancy.** (a) Members are appointed to serve three-year terms following the initial staggered-term lot determination and may be reappointed.

(b) Initial appointment of members must take place by August 1, 2022. The initial term of members appointed under paragraph (a) shall be determined by lot by the secretary of state and shall be as follows:

(1) five members shall serve one-year terms;

(2) five members shall serve two-year terms; and

(3) five members shall serve three-year terms.

(c) A member may be removed by the appointing authority at any time for cause, after notice and hearing.

(d) If a vacancy occurs, the appointing authority shall appoint a new qualifying member within 90 days.

(e) Compensation of board members is governed by section 15.0575.

Subd. 4. **Powers and duties.** The board shall improve public safety by increasing the efficiency, effectiveness, and capacity of public safety providers and has the following powers and duties:

(1) monitoring trends in crime within Minnesota;

(2) reviewing research on criminal justice and public safety issues;

(3) providing information on criminal trends and research to the commissioner, municipalities, and the legislature;

(4) communicating with recipients of grant funds to learn from successful and innovative programs, develop procedures to simplify application and reporting requirements, and identify gaps in programs or services that could be filled to improve public safety;

(5) working with the commissioner to modify requests for proposals to better meet the needs of applicants and the community;

(6) working with the commissioner, community review panels, the final review panel, and Office of Justice Programs staff to establish policies, procedures, and priorities to best address public safety and community needs;

(7) working with grant recipients, applicants whose proposals were not approved, and individuals or entities interested in applying for grants to increase the understanding of the grant process and help improve applications that are submitted;

(8) analyzing the pool of applicants and public application materials to identify:

(i) barriers to successful applications;

(ii) eligible geographic, ethnic, or other communities that do not apply for grants;

(iii) the demographics of populations served by grant applicants, including identification of populations that are not receiving services and any disparities in services provided; and

(iv) the types of programs that receive awards;

(9) developing policies and procedures to support communities that are underserved by grant recipients, address imbalances in the pool of grant applicants or recipients, and expand the types of services provided by grant recipients to include effective programs that are underutilized;

(10) working with the Minnesota Statistical Analysis Center to identify appropriate outcomes to track on an annual basis for both programs receiving grants and local communities for the purpose of monitoring trends in public safety and the impact of specific programmatic models; and

(11) making recommendations to the legislature for changes in policy and funding to address existing and emerging needs related to public safety.

Subd. 5. **Meetings.** The board shall meet quarterly or at the call of the chair. At least two meetings in each fiscal year must take place outside of the metropolitan area as defined in section 473.121, subdivision 2. Meetings of the board are subject to chapter 13D.

Subd. 6. **Report.** By January 15 each year, the board shall report to the legislative committees and divisions with jurisdiction over public safety on the work of the board; the use and impact of grant programs to address public safety, including emergency community safety grants and local co-responder grants; grants issued by the Department of Public Safety to local law enforcement agencies for portable recording systems; the outcomes tracked on an annual basis by the Minnesota Statistical Analysis Center; and recommendations for changes in policy and funding to improve public safety.

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

Sec. 15. Minnesota Statutes 2020, section 299A.706, is amended to read:

299A.706 ALCOHOL ENFORCEMENT ACCOUNT; APPROPRIATION.

An alcohol enforcement account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account may be appropriated by law for: (1) costs of the Alcohol and Gambling Division related to administration and enforcement of sections 340A.403, subdivision 4; 340A.414, subdivision 1a; ~~and~~ 340A.504, subdivision 7; and 340A.550, subdivisions 2, 4, 5, and 6; and (2) costs of the State Patrol.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 16. Minnesota Statutes 2020, section 299A.78, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 299A.78 to 299A.795, the following definitions apply:

(a) "Commissioner" means the commissioner of the Department of Public Safety.

(b) "Nongovernmental organizations" means nonprofit, nongovernmental organizations that provide legal, social, or other community services.

~~(c) "Blackmail" has the meaning given in section 609.281, subdivision 2.~~

~~(d)~~ (c) "Debt bondage" has the meaning given in section 609.281, subdivision 3.

~~(e)~~ (d) "Forced labor or services" has the meaning given in section 609.281, subdivision 4.

~~(f)~~ (e) "Labor trafficking" has the meaning given in section 609.281, subdivision 5.

~~(g)~~ (f) "Labor trafficking victim" has the meaning given in section 609.281, subdivision 6.

~~(h)~~ (g) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

~~(i)~~ (h) "Sex trafficking victim" has the meaning given in section 609.321, subdivision 7b.

~~(j)~~ (i) "Trafficking" includes "labor trafficking" and "sex trafficking."

~~(k)~~ (j) "Trafficking victim" includes "labor trafficking victim" and "sex trafficking victim."

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 17. Minnesota Statutes 2020, section 299A.79, subdivision 3, is amended to read:

Subd. 3. **Public awareness initiative.** The public awareness initiative required in subdivision 1 must address, at a minimum, the following subjects:

(1) the risks of becoming a trafficking victim;

(2) common recruitment techniques; use of debt bondage, ~~blackmail,~~ forced labor and services, prostitution, and other coercive tactics; and risks of assault, criminal sexual conduct, exposure to sexually transmitted diseases, and psychological harm;

(3) crime victims' rights; and

(4) reporting recruitment activities involved in trafficking.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 18. **[299A.86] REWARD FUND FOR INFORMATION ON MISSING AND MURDERED INDIGENOUS RELATIVES.**

Subdivision 1. **Fund created.** A reward fund for information on missing and murdered Indigenous relatives is created as an account in the state treasury. Money appropriated or otherwise deposited into the account is available to pay rewards and for other purposes as authorized under this section.

Subd. 2. **Reward.** The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the reward advisory group, is authorized to pay a reward to any person who provides relevant information relating to a missing and murdered Indigenous relative investigation.

Subd. 3. **Reward advisory group.** (a) The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the stakeholder groups described in section 299A.85, subdivision 5, shall appoint an advisory group to make recommendations on paying rewards under this section. The advisory group shall consist of the following individuals:

(1) a representative from the Office for Missing and Murdered Indigenous Relatives;

(2) a representative from a Tribal, statewide, or local organization that provides legal services to Indigenous women and girls;

(3) a representative from a Tribal, statewide, or local organization that provides advocacy or counseling for Indigenous women and girls who have been victims of violence;

(4) a representative from a Tribal, statewide, or local organization that provides services to Indigenous women and girls;

(5) a Tribal peace officer who works for or resides on a federally recognized American Indian reservation in Minnesota; and

(6) a representative from the Minnesota Human Trafficking Task Force.

(b) The advisory group shall meet as necessary but at a minimum twice per year to carry out its duties and shall elect a chair from among its members at its first meeting. The director shall convene the group's first meeting. The director shall provide necessary office space and administrative support to the group. Members of the group serve without compensation but shall receive expense reimbursement as provided in section 15.059.

(c) The representative from the Office for Missing and Murdered Indigenous Relatives may fully participate in the advisory group's activities but may not vote on issues before the group.

Subd. 4. **Advertising.** The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the reward advisory group, may spend up to four percent of available funds on an advertising or public relations campaign to increase public awareness on the availability of rewards under this section.

Subd. 5. **Grants; donations.** The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the reward advisory group, may apply for and accept grants and donations from the public and from public and private entities to implement this section.

Subd. 6. **Reward cap.** A reward paid under this section may not exceed $1,000,000.

Subd. 7. **Reward procedures and criteria.** The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the reward advisory group, shall determine the eligibility criteria and procedures for granting rewards under this section.

Subd. 8. **Definition.** As used in this section, "missing and murdered Indigenous relatives" means missing and murdered Indigenous people from or descended from one of the United States' federally recognized American Indian Tribes.

Sec. 19. **[299A.90] OFFICE FOR MISSING AND MURDERED BLACK WOMEN AND GIRLS.**

Subdivision 1. **Establishment.** The commissioner shall establish and maintain an office dedicated to preventing and ending the targeting of Black women and girls within the Minnesota Office of Justice Programs.

Subd. 2. **Director; staff.** (a) The commissioner must appoint a director who is a person closely connected to the Black community and who is highly knowledgeable about criminal investigations. The commissioner is encouraged to consider candidates for appointment who are recommended by members of the Black community.

(b) The director may select, appoint, and compensate out of available funds assistants and employees as necessary to discharge the office's responsibilities.

(c) The director and full-time staff shall be members of the Minnesota State Retirement System.

Subd. 3. **Duties.** (a) The office has the following duties:

(1) advocate in the legislature for legislation that will facilitate the accomplishment of mandates identified in the report of the Task Force on Missing and Murdered African American Women;

(2) advocate for state agencies to take actions to facilitate the accomplishment of mandates identified in the report of the Task Force on Missing and Murdered African American Women;

(3) develop recommendations for legislative and agency actions to address injustice in the criminal justice system's response to cases of missing and murdered Black women and girls;

(4) facilitate research to refine the mandates in the report of the Task Force on Missing and Murdered African American Women and to assess the potential efficacy, feasibility, and impact of the recommendations;

(5) facilitate research and collect data on missing person and homicide cases involving Black women and girls, including the total number of cases, the rate at which the cases are solved, the length of time the cases remain open, and a comparison to similar cases involving different demographic groups;

(6) collect data on Amber Alerts, including the total number of Amber Alerts issued, the total number of Amber Alerts that involve Black girls, and the outcome of cases involving Amber Alerts disaggregated by the child's race and sex;

(7) collect data on reports of missing Black girls, including the number classified as voluntary runaways, and a comparison to similar cases involving different demographic groups;

(8) facilitate research to assess the intersection between cases involving missing and murdered Black women and girls and labor trafficking and sex trafficking;

(9) develop recommendations for legislative, agency, and community actions to address the intersection between cases involving missing and murdered Black women and girls and labor trafficking and sex trafficking;

(10) facilitate research to assess the intersection between cases involving murdered Black women and girls and domestic violence, including prior instances of domestic violence within the family or relationship, whether an offender had prior convictions for domestic assault or related offenses, and whether the offender used a firearm in the murder or any prior instances of domestic assault;

(11) develop recommendations for legislative, agency, and community actions to address the intersection between cases involving murdered Black women and girls and domestic violence;

(12) develop tools and processes to evaluate the implementation and impact of the efforts of the office;

(13) track and collect Minnesota data on missing and murdered Black women and girls, and provide statistics upon public or legislative inquiry;

(14) facilitate technical assistance for local and Tribal law enforcement agencies during active cases involving missing and murdered Black women and girls;

(15) conduct case reviews and report on the results of case reviews for the following types of cases involving missing and murdered Black women and girls: (i) cold cases for missing Black women and girls; and (ii) death investigation review for cases of Black women and girls ruled as suicide or overdose under suspicious circumstances;

(16) conduct case reviews of the prosecution and sentencing for cases where a perpetrator committed a violent or exploitative crime against a Black woman or girl. These case reviews must identify those cases where the perpetrator is a repeat offender;

(17) prepare draft legislation as necessary to allow the office access to the data necessary for the office to conduct the reviews required in this section and advocate for passage of that legislation;

(18) review sentencing guidelines for crimes related to missing and murdered Black women and girls, recommend changes if needed, and advocate for consistent implementation of the guidelines across Minnesota courts;

(19) develop and maintain communication with relevant divisions in the Department of Public Safety regarding any cases involving missing and murdered Black women and girls and on procedures for investigating cases involving missing and murdered Black women and girls; and

(20) coordinate, as relevant, with federal efforts, and efforts in neighboring states and Canada.

(b) As used in this subdivision:

(1) "labor trafficking" has the meaning given in section 609.281, subdivision 5; and

(2) "sex trafficking" has the meaning given in section 609.321, subdivision 7a.

Subd. 4. **Coordination with other organizations.** In fulfilling its duties, the office may coordinate with stakeholder groups that were represented on the Task Force on Missing and Murdered African American Women and state agencies that are responsible for the systems that play a role in investigating, prosecuting, and adjudicating cases involving violence committed against Black women and girls; those who have a role in supporting or

advocating for missing or murdered Black women and girls and the people who seek justice for them; and those who represent the interests of Black people. This includes the following entities: Minnesota Chiefs of Police Association; Minnesota Sheriffs' Association; Bureau of Criminal Apprehension; Minnesota Police and Peace Officers Association; Tribal law enforcement; Minnesota County Attorneys Association; United States Attorney's Office; juvenile courts; Minnesota Coroners' and Medical Examiners' Association; United States Coast Guard; state agencies, including the Departments of Health, Human Services, Education, Corrections, and Public Safety; service providers who offer legal services, advocacy, and other services to Black women and girls; Black women and girls who are survivors; and organizations and leadership from urban and statewide Black communities.

Subd. 5. **Reports.** The office must report on measurable outcomes achieved to meet its statutory duties, along with specific objectives and outcome measures proposed for the following year. The report must include data and statistics on missing and murdered Black women and girls in Minnesota, including names, dates of disappearance, and dates of death, to the extent the data is publicly available. The office must submit the report by January 15 each year to the chairs and ranking minority members of the legislative committees with primary jurisdiction over public safety.

Subd. 6. **Grants.** The office may apply for and receive grants from public and private entities for the purposes of carrying out the office's duties under this section.

Subd. 7. **Access to data.** Notwithstanding section 13.384 or 13.85, the director has access to corrections and detention data and medical data maintained by an agency and classified as private data on individuals or confidential data on individuals to the extent the data is necessary for the office to perform its duties under this section.

Sec. 20. **[299C.092] QUESTIONED IDENTITY PROCESS.**

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

(b) "Questioned identity" means an individual's identity that is associated with another person's records when the individual's identity is used by an offender in interactions with law enforcement or that the offender has the same name. Questioned identity can lead to difficulties differentiating the individual from the offender.

(c) "Bureau" means the Bureau of Criminal Apprehension.

Subd. 2. **Process.** (a) When an individual is the subject of questioned identity, the individual may request a review by the bureau through its questioned identity process. Individuals must contact the bureau and provide the following:

(1) documentation of the individual's identity through government-issued photo identification;

(2) documents or information that lead the individual to believe that the individual is the subject of questioned identity; and

(3) fingerprints for identification verification purposes.

(b) If the bureau is able to confirm that the individual is the subject of questioned identity, the bureau shall provide documentation to the individual indicating that the individual has been through the bureau's questioned identity process.

(c) The bureau shall denote any aliases determined to be questioned identities in the Criminal History System under section 299C.09 and shall work with other state and local agencies to denote aliases in arrest warrants.

(d) The bureau shall attach a photo of the offender to arrest warrants in the bureau's warrant file if a photo is available.

(e) The bureau, in consultation with reporting criminal justice agencies, may remove an alias from a criminal history record when it determines doing so will not negatively impact a criminal justice agency's ability to identify the offender in the future. Some considerations in making the determination include but are not limited to time elapsed since the alias name was last used, frequency with which the alias was used, current incarceration status of the offender, whether it is or was the offender's name, and whether the offender is living or deceased.

(f) Law enforcement must take into account the presence of documentation from the bureau or another law enforcement agency confirming a questioned identity when considering whether an individual has a warrant under section 299C.115 and may contact the bureau or the issuing law enforcement agency to confirm authenticity of the documentation provided by an individual.

Sec. 21. Minnesota Statutes 2020, section 299C.46, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of public safety shall establish a criminal justice data communications network that will provide secure access to systems and services available from or through the Bureau of Criminal Apprehension. The Bureau of Criminal Apprehension may approve additional criminal justice uses by authorized agencies to access necessary systems or services not from or through the bureau. The commissioner of public safety is authorized to lease or purchase facilities and equipment as may be necessary to establish and maintain the data communications network.

Sec. 22. Minnesota Statutes 2020, section 299C.65, subdivision 1a, is amended to read:

Subd. 1a. **Membership; duties.** (a) The Criminal and Juvenile Justice Information and Bureau of Criminal Apprehension Advisory Group consists of the following members:

(1) the commissioner of corrections or designee;

(2) the commissioner of public safety or designee;

(3) the state chief information officer or designee;

(4) three members of the judicial branch appointed by the chief justice of the supreme court;

(5) the commissioner of administration or designee;

(6) the state court administrator or designee;

(7) two members appointed by the Minnesota Sheriffs Association, at least one of whom must be a sheriff;

(8) two members appointed by the Minnesota Chiefs of Police Association, at least one of whom must be a chief of police;

(9) two members appointed by the Minnesota County Attorneys Association, at least one of whom must be a county attorney;

(10) two members appointed by the League of Minnesota Cities representing the interests of city attorneys, at least one of whom must be a city attorney;

(11) two members appointed by the Board of Public Defense, at least one of whom must be a public defender;

(12) two corrections administrators appointed by the Association of Minnesota Counties representing the interests of local corrections, at least one of whom represents a Community Corrections Act county;

(13) two probation officers appointed by the commissioner of corrections in consultation with the president of the Minnesota Association of Community Corrections Act Counties and the president of the Minnesota Association of County Probation Officers;

(14) four public members appointed by the governor representing both metropolitan and greater Minnesota for a term of four years using the process described in section 15.059, one of whom represents the interests of victims, and one of whom represents the private business community who has expertise in integrated information systems and who, for the purposes of meetings of the advisory group, may be compensated pursuant to section 15.059;

(15) two members appointed by the Minnesota Association for Court Management, at least one of whom must be a court administrator;

(16) one member of the house of representatives appointed by the speaker of the house, or an alternate who is also a member of the house of representatives, appointed by the speaker of the house;

(17) one member of the senate appointed by the majority leader, or an alternate who is also a member of the senate, appointed by the majority leader of the senate;

(18) one member appointed by the attorney general;

(19) two members appointed by the League of Minnesota Cities, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven-county metropolitan area, and at least one of whom is an elected official;

(20) two members appointed by the Association of Minnesota Counties, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven-county metropolitan area, and at least one of whom is an elected official; and

(21) the director of the Sentencing Guidelines Commission or a designee.

(b) The chair, first vice-chair, and second vice-chair shall be elected by the advisory group.

(c) The advisory group shall serve as the state advisory group on statewide criminal justice information policy and funding issues. The advisory group shall study and make recommendations to the governor, the supreme court, and the legislature on criminal justice information funding and policy issues such as related data practices, individual privacy rights, and data on race and ethnicity; information-sharing at the local, state, and federal levels; technology education and innovation; the impact of proposed legislation on the criminal justice system related to information systems and business processes; and data and identification standards.

(d) The advisory group shall have the additional duties of reviewing and advising the bureau superintendent on:

(1) audits, accreditation reports, and internal reviews of bureau operations;

(2) emerging technologies in the law enforcement and forensic science fields;

(3) policies and practices that impact individual privacy interests; and

(4) other programmatic and operational initiatives of the bureau at the request of the superintendent.

Sec. 23. Minnesota Statutes 2020, section 299C.65, subdivision 3a, is amended to read:

Subd. 3a. **Report.** The advisory group shall file a biennial report with the governor, supreme court, and chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over criminal justice funding and policy by January 15 in each odd-numbered year. The report must provide the following:

(1) status and review of current statewide criminal justice information systems;

(2) recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently; ~~and~~

(3) a summary of the activities of the advisory group, including any funding and grant requests~~.~~; and

(4) a summary of any reviews conducted by the advisory group of bureau audits, reports, policies, programs, and procedures and any recommendations provided to the bureau related to the reviews.

Sec. 24. Minnesota Statutes 2020, section 299F.362, is amended to read:

299F.362 SMOKE ~~DETECTOR~~ ALARM; INSTALLATION; RULES; PENALTY.

Subdivision 1. **Definitions.** For the purposes of this section, the following definitions shall apply:

(a) "Apartment house" is any building, or portion thereof, which is designed, built, rented, leased, let, or hired out to be occupied, or which is occupied as the home or residence of three or more families living independently of each other and doing their own cooking in the building, and shall include buildings containing three or more flats or apartments.

(b) "Dwelling" is any building, or any portion thereof, which is not an apartment house, lodging house, or a hotel and which contains one or two "dwelling units" which are, or are intended or designed to be, occupied for living purposes.

(c) "Dwelling unit" is a single unit providing complete, independent living facilities for one or more persons including permanent provisions for living, sleeping, eating, cooking, and sanitation, or a single unit used by one or more persons for sleeping and sanitation pursuant to a work practice or labor agreement.

(d) "Hotel" is any building, or portion thereof, containing six or more guest rooms intended or designed to be used, or which are used, rented, or hired out to be occupied, or which are occupied for sleeping purposes by guests.

(e) "Lodging house" is any building, or portion thereof, containing not more than five guest rooms which are used or are intended to be used for sleeping purposes by guests and where rent is paid in money, goods, labor, or otherwise.

Subd. 2. **Rules, smoke ~~detector~~ alarm location.** The commissioner of public safety shall promulgate rules concerning the placement of smoke ~~detectors~~ alarms in dwellings, apartment houses, hotels, and lodging houses. The rules shall take into account designs of the guest rooms or dwelling units.

Subd. 3. **Smoke ~~detector~~ alarm for any dwelling.** Every dwelling unit within a dwelling must be provided with a smoke ~~detector~~ alarm meeting the requirements of the State Fire Code. The ~~detector~~ alarm must be mounted in accordance with the rules regarding smoke ~~detector~~ alarm location adopted under subdivision 2. When actuated, the ~~detector~~ alarm must provide an alarm in the dwelling unit.

Subd. 3a. **Smoke ~~detector~~ alarm for new dwelling.** In construction of a new dwelling, each smoke ~~detector~~ alarm must be attached to a centralized power source.

Subd. 4. **Smoke ~~detector~~ alarm for apartment, lodging house, or hotel.** Every dwelling unit within an apartment house and every guest room in a lodging house or hotel used for sleeping purposes must be provided with a smoke ~~detector~~ alarm conforming to the requirements of the State Fire Code. In dwelling units, ~~detectors~~ alarms must be mounted in accordance with the rules regarding smoke ~~detector~~ alarm location adopted under subdivision 2. When actuated, the ~~detector~~ alarm must provide an alarm in the dwelling unit or guest room.

Subd. 5. **Maintenance responsibilities.** For all occupancies covered by this section where the occupant is not the owner of the dwelling unit or the guest room, the owner is responsible for maintenance of the smoke ~~detectors~~ alarms. An owner may file inspection and maintenance reports with the local fire marshal for establishing evidence of inspection and maintenance of smoke ~~detectors~~ alarms.

Subd. 5a. **Inform owner; no added liability.** The occupant of a dwelling unit must inform the owner of the dwelling unit of a nonfunctioning smoke ~~detector~~ alarm within 24 hours of discovering that the smoke ~~detector~~ alarm in the dwelling unit is not functioning. If the occupant fails to inform the owner under this subdivision, the occupant's liability for damages is not greater than it otherwise would be.

Subd. 6. **Penalties.** (a) Any person who violates any provision of this section ~~shall be~~ is subject to the same penalty and the enforcement mechanism that is provided for violation of the State Fire Code, as specified in section 299F.011, subdivision 6.

(b) An occupant who willfully disables a smoke ~~detector~~ alarm or causes it to be nonfunctioning, resulting in damage or injury to persons or property, is guilty of a misdemeanor.

Subd. 7. **Local government preempted.** This section prohibits a local unit of government from adopting standards different from those provided in this section.

Subd. 9. **Local government ordinance; installation in single-family residence.** Notwithstanding subdivision 7, or other law, a local governing body may adopt, by ordinance, rules for the installation of a smoke ~~detector~~ alarm in single-family homes in the city that are more restrictive than the standards provided by this section. Rules adopted pursuant to this subdivision may be enforced through a truth-in-housing inspection.

Subd. 10. **Public fire safety educator.** The position of Minnesota public fire safety educator is established in the Department of Public Safety.

Subd. 11. **Insurance claim.** No insurer shall deny a claim for loss or damage by fire for failure of a person to comply with this section.

Sec. 25. Minnesota Statutes 2020, section 326.3361, subdivision 2, is amended to read:

Subd. 2. **Required contents.** The rules adopted by the board must require:

(1) 12 hours of preassignment or on-the-job certified training within the first 21 days of employment, or evidence that the employee has successfully completed equivalent training before the start of employment. Notwithstanding any statute or rule to the contrary, this clause is satisfied if the employee provides a prospective employer with a certificate or a copy of a certificate demonstrating that the employee successfully completed this training prior to employment with a different Minnesota licensee and completed this training within three previous calendar years, or successfully completed this training with a Minnesota licensee while previously employed with a Minnesota licensee. The certificate or a copy of the certificate is the property of the employee who completed the

training, regardless of who paid for the training or how training was provided. A current or former licensed employer must provide a copy of a certificate demonstrating the employee's successful completion of training to a current or former employee upon the current or former employee's request. For purposes of sections 181.960 to 181.966, the person who completed the training is entitled to access a copy of the certificate and a current or former employer is obligated to comply with the provisions thereunder;

(2) certification by the board of completion of certified training for a license holder, qualified representative, Minnesota manager, partner, and employee to carry or use a firearm, a weapon other than a firearm, or an immobilizing or restraint technique; and

(3) six hours a year of certified continuing training for all license holders, qualified representatives, Minnesota managers, partners, and employees, and an additional six hours a year for individuals who are armed with firearms or armed with weapons, which must include annual certification of the individual.

An individual may not carry or use a weapon while undergoing on-the-job training under this subdivision.

Sec. 26. Minnesota Statutes 2020, section 340A.304, is amended to read:

340A.304 LICENSE SUSPENSION AND REVOCATION.

The commissioner shall revoke, or suspend for up to 60 days, a license issued under section 340A.301 ~~or~~, 340A.302, or 340A.550, or impose a fine of up to $2,000 for each violation, on a finding that the licensee has violated a state law or rule of the commissioner relating to the possession, sale, transportation, or importation of alcoholic beverages. A license revocation or suspension under this section is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 27. Minnesota Statutes 2020, section 340A.417, is amended to read:

340A.417 WINE SHIPMENTS ~~INTO MINNESOTA~~.

(a) Notwithstanding section 297G.07, subdivision 2, or any provision of this chapter except for section 340A.550, a winery licensed in a state other than Minnesota, or a winery located in Minnesota, may ship, for personal use and not for resale, not more than ~~two~~ 12 cases of wine, containing a maximum of nine liters per case, in any calendar year to any resident of Minnesota age 21 or over. ~~Delivery of a shipment under this section may not be deemed a sale in this state.~~

(b) The shipping container of any wine sent under this section must be clearly marked "Alcoholic Beverages: adult signature (over 21 years of age) required."

(c) It is not the intent of this section to impair the distribution of wine through distributors or importing distributors, but only to permit shipments of wine for personal use.

(d) Except for a violation of section 295.75 or chapters 297A and 297G, no criminal penalty may be imposed on a person for a violation of this section or section 340A.550 other than a violation described in paragraph (e) or (f). Whenever it appears to the commissioner that any person has engaged in any act or practice constituting a violation of this section~~,~~ or section 340A.550 and the violation is not within two years of any previous violation of this section, the commissioner shall issue and cause to be served upon the person an order requiring the person to cease and desist from violating this section. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing

shall be held not later than ~~seven~~ 20 days after the request for the hearing is received by the commissioner after which and within 20 days after the receipt of the administrative law judge's report and subsequent exceptions and argument, the commissioner shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(e) Any person who violates this section or section 340A.550 within two years of a violation for which a cease and desist order was issued under paragraph (d), is guilty of a misdemeanor.

(f) Any person who commits a third or subsequent violation of this section or section 340A.550 within any subsequent two-year period is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 28. **[340A.550] DIRECT SHIPMENTS OF WINE; LICENSING, TAXATION, AND RESTRICTIONS.**

Subdivision 1. **Definitions.** (a) "Direct ship purchaser" means a person who purchases wine for personal use and not for resale from a winery located in a state other than Minnesota for delivery to a Minnesota address.

(b) "Direct ship winery" means a winery licensed in a state other than Minnesota that manufactures and makes a retail sale of wine and ships the wine to a direct ship purchaser as authorized under section 340A.417.

Subd. 2. **License requirements.** (a) A direct ship winery must apply to the commissioner for a direct ship license. The commissioner must not issue a license under this section unless the applicant:

(1) is a licensed winery in a state other than Minnesota and provides a copy of its current license in any state in which it is licensed to manufacture wine;

(2) provides a shipping address list, including all addresses from which it intends to ship wine;

(3) agrees to comply with the requirements of subdivision 4; and

(4) consents to the jurisdiction of the Departments of Public Safety and Revenue, the courts of this state, and any statute, law, or rule in this state related to the administration or enforcement of this section, including any provision authorizing the commissioners of public safety and revenue to audit a direct ship winery for compliance with this and any related section.

(b) A direct ship winery obtaining a license under this section must annually renew its license by January 1 of each year and must inform the commissioner at the time of renewal of any changes to the information previously provided in paragraph (a).

(c) The application fee for a license is $50. The fee for a license renewal is $50. The commissioner must deposit all fees received under this subdivision in the alcohol enforcement account in the special revenue fund established under section 299A.706.

Subd. 3. **Direct ship wineries; restrictions.** (a) A direct ship winery may only ship wine from an address provided to the commissioner as required in subdivision 2, paragraph (a), clause (2), or through a third-party provider whose name and address the licensee provided to the commissioner in the licensee's application for a license.

(b) A direct ship winery or its third-party provider may only ship wine from the direct ship winery's own production.

Subd. 4. **Taxation.** A direct ship winery must:

(1) collect and remit the liquor gross receipts tax as required in section 295.75;

(2) apply for a permit as required in section 297A.83 and collect and remit the sales and use tax imposed as required in chapter 297A;

(3) remit the tax as required in chapter 297G; and

(4) provide a statement to the commissioner, on a form prescribed by the commissioner, detailing each shipment of wine made to a resident of this state and any other information required by the commissioner.

Subd. 5. **Private or nonpublic data; classification and sharing.** (a) Data collected, created, or maintained by the commissioner as required under this section are classified as private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12.

(b) The commissioner must share data classified as private or nonpublic under this section with the commissioner of revenue for purposes of administering section 295.75 and chapters 289A, 297A, and 297G.

Subd. 6. **Enforcement; penalties.** Section 340A.417, paragraphs (d) to (f), apply to this section.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 29. **[340A.555] COMMON CARRIER REGULATIONS FOR DIRECT SHIPMENTS OF WINE.**

Subdivision 1. **Monthly report required.** Each common carrier that contracts with a winery under section 340A.417 for delivery of wine into this state must file with the commissioner a monthly report of known wine shipments made by the carrier. The report must be made in a form and manner as prescribed by the commissioner and must contain:

(1) the name of the common carrier making the report;

(2) the period of time covered by the report;

(3) the name and business address of the consignor;

(4) the name and address of the consignee;

(5) the weight of the package delivered to the consignee;

(6) a unique tracking number; and

(7) the date of delivery.

Subd. 2. **Record availability and retention.** Upon written request by the commissioner, any records supporting the report in subdivision 1 must be made available to the commissioner within 30 days of the request. Any records containing information relating to a required report must be retained and preserved for a period of two years, unless destruction of the records prior to the end of the two-year period is authorized in writing by the commissioner. All retained records must be open and available for inspection by the commissioner upon written request. The commissioner must make the required reports available to any law enforcement agency or regulatory body of any local government in the state in which the common carrier making the report resides or does business.

Subd. 3. **Penalty.** If a common carrier willfully violates the requirement to report a delivery under this section or violates any rule related to the administration and enforcement of this section, the commissioner must notify the common carrier in writing of the violation. The commissioner may impose a fine in an amount not to exceed $500 for each subsequent violation.

Subd. 4. **Exemptions.** This section does not apply to common carriers regulated as provided by United States Code, title 49, section 10101, et. seq.; or to rail trailer-on-flatcar/container-on-flatcar (TOFC/COFC) service, as provided by Code of Federal Regulations, title 49, section 1090.1; or highway TOFC/COFC service provided by a rail carrier, either itself or jointly with a motor carrier, as part of continuous intermodal freight transportation, including but not limited to any other TOFC/COFC transportation as defined under federal law.

Subd. 5. **Private or nonpublic data; classification and sharing.** (a) Data collected, created, or maintained by the commissioner as required under subdivision 1, clauses (4) to (6), are classified as private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12.

(b) The commissioner must share data classified as private or nonpublic under this section with the commissioner of revenue for purposes of administering section 295.75 and chapters 289A, 297A, and 297G.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 30. Minnesota Statutes 2020, section 403.02, is amended by adding a subdivision to read:

Subd. 17d. **Public safety telecommunicator.** "Public safety telecommunicator" means a person who is employed by a primary, secondary, or Tribal public safety answering point, an emergency medical dispatch service provider, or both, and serves as an initial first responder to answer incoming emergency telephone calls or provide for the appropriate emergency response either directly or through communication with the appropriate public safety answering point. Public safety telecommunicator includes persons who supervise public safety telecommunicators. Pursuant to section 403.051, after August 1, 2024, public safety telecommunicators and those who directly manage or supervise public safety telecommunicators must be certified by the commissioner.

Sec. 31. **[403.051] PUBLIC SAFETY TELECOMMUNICATORS; CERTIFICATION; TRAINING; CONTINUING EDUCATION.**

Subdivision 1. **Certification required.** After August 1, 2024, a public safety telecommunicator must be certified by the commissioner to serve in that role.

Subd. 2. **Certification requirements; rulemaking.** (a) The commissioner of public safety, in coordination with the Statewide Emergency Communications Board, must adopt rules for certification requirements for public safety telecommunicators and establish in rule criteria for training, certification, and continuing education that incorporate the requirements set forth in paragraph (b).

(b) The commissioner must require that candidates for public safety telecommunicator certification and recertification demonstrate, at a minimum, proficiency in the following areas:

(1) public safety telecommunicator roles and responsibilities;

(2) applicable legal concepts;

(3) interpersonal skills;

(4) emergency communications technology and information systems;

(5) 911 call processing;

(6) emergency management;

(7) radio communications for the public safety telecommunicator;

(8) stress management; and

(9) quality performance standards management.

Subd. 3. **Continuing education.** To maintain certification under this section, a public safety telecommunicator must complete 48 hours of approved continuing education coursework every two years.

Sec. 32. Minnesota Statutes 2021 Supplement, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and ~~may~~ must be appropriated ~~from time to time~~ to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services, including public safety telecommunicator training, certification, and continuing education.

(c) The fee may not be more than 95 cents a month on or after July 1, 2010, for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers, except that the fee imposed under this subdivision does not apply to prepaid wireless telecommunications service, which is instead subject to the fee imposed under section 403.161, subdivision 1, paragraph (a).

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than $250 a month is due, or

annually if less than $25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

Sec. 33. Minnesota Statutes 2021 Supplement, section 609.02, subdivision 16, is amended to read:

Subd. 16. **Qualified domestic violence-related offense.** "Qualified domestic violence-related offense" includes a violation of or an attempt to violate sections 518B.01, subdivision 14 (violation of domestic abuse order for protection); 609.185 (first-degree murder); 609.19 (second-degree murder); 609.195 (third-degree murder); 609.20 (first-degree manslaughter); 609.205 (second-degree manslaughter); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.2242 (domestic assault); 609.2245 (female genital mutilation); 609.2247 (domestic assault by strangulation); 609.25 (kidnapping); 609.255 (false imprisonment); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.3458 (sexual extortion); 609.377 (malicious punishment of a child); 609.713 (terroristic threats); 609.748, subdivision 6 (violation of harassment restraining order); 609.749 (harassment or stalking); 609.78, subdivision 2 (interference with an emergency call); 617.261 (nonconsensual dissemination of private sexual images); and 629.75 (violation of domestic abuse no contact order); and similar laws of other states, the United States, the District of Columbia, Tribal lands, and United States territories.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 34. Minnesota Statutes 2020, section 609.281, subdivision 3, is amended to read:

Subd. 3. **Debt bondage.** "Debt bondage" ~~means the status or condition of a debtor arising from a pledge by the debtor of the debtor's personal~~ occurs when a person provides labor or services ~~or those~~ of any kind to pay a real or alleged debt of ~~a~~ the person ~~under the debtor's control as a security for debt~~ or another, if the value of ~~those~~ the labor or services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of ~~those~~ the labor or services are not respectively limited and defined.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 35. Minnesota Statutes 2020, section 609.281, subdivision 4, is amended to read:

Subd. 4. **Forced or coerced labor or services.** "Forced or coerced labor or services" means labor or services of any kind that are performed or provided by another person and are obtained or maintained through an actor's:

(1) threat, either implicit or explicit, scheme, plan, ~~or~~ pattern, or other action or statement intended to cause a person to believe that, if the person did not perform or provide the labor or services, that person or another ~~person~~ would suffer ~~bodily harm or~~ physical restraint; sexual contact, as defined in section 609.341, subdivision 11, paragraph (b); or bodily, psychological, economic, or reputational harm;

(2) ~~physically restraining or threatening to physically restrain~~ sexual contact, as defined in section 609.341, subdivision 11, paragraph (b), with a person;

(3) physical restraint of a person;

(4) infliction of bodily, psychological, economic, or reputational harm;

~~(3)~~ (5) abuse or threatened abuse of the legal process, including the use or threatened use of a law or legal process, whether administrative, civil, or criminal; or

~~(4) knowingly destroying, concealing, removing, confiscating, or possessing~~ (6) destruction, concealment, removal, confiscation, withholding, or possession of any actual or purported passport or other immigration document, or any other actual or purported government identification document, of another person~~; or~~.

~~(5) use of blackmail.~~

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 36. Minnesota Statutes 2020, section 609.281, subdivision 5, is amended to read:

Subd. 5. **Labor trafficking.** "Labor trafficking" means:

(1) the recruitment, transportation, transfer, harboring, enticement, provision, obtaining, or receipt of a person by any means, ~~for the purpose~~ in furtherance of:

(i) debt bondage ~~or~~;

(ii) forced labor or services;

~~(ii)~~ (iii) slavery or practices similar to slavery; or

~~(iii)~~ (iv) the removal of organs through the use of coercion or intimidation; or

(2) receiving profit or anything of value, knowing or having reason to know it is derived from an act described in clause (1).

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 37. Minnesota Statutes 2020, section 609.282, subdivision 1, is amended to read:

Subdivision 1. ~~**Individuals under age 18**~~ **Labor trafficking resulting in death.** Whoever knowingly engages in the labor trafficking of an individual ~~who is under the age of 18~~ is guilty of a crime and may be sentenced to imprisonment for not more than ~~20~~ 25 years or to payment of a fine of not more than $40,000, or both if the labor trafficking victim dies and the death arose out of and in the course of the labor trafficking or the labor and services related to the labor trafficking.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 38. Minnesota Statutes 2020, section 609.282, is amended by adding a subdivision to read:

Subd. 1a. **Individuals under age 18; extended period of time; great bodily harm.** Whoever knowingly engages in the labor trafficking of an individual is guilty of a crime and may be sentenced to imprisonment for not more than 20 years or to a payment of a fine of not more than $40,000, or both if any of the following circumstances exist:

(1) the labor trafficking victim is under the age of 18;

(2) the labor trafficking occurs over an extended period of time; or

(3) the labor trafficking victim suffers great bodily harm and the great bodily harm arose out of and in the course of the labor trafficking or the labor and services related to the labor trafficking.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 39. Minnesota Statutes 2020, section 609.87, is amended by adding a subdivision to read:

Subd. 17. **Data.** "Data" means records or information in digital form on a computer or in software that can be stored, transmitted, or processed.

Sec. 40. Minnesota Statutes 2020, section 609.89, subdivision 1, is amended to read:

Subdivision 1. **Acts.** Whoever does any of the following is guilty of computer theft and may be sentenced as provided in subdivision 2:

(a) intentionally and without authorization or claim of right accesses or causes to be accessed any computer, computer system, computer network or any part thereof for the purpose of obtaining services or property; ~~or~~

(b) intentionally and without claim of right, and with intent to deprive the owner of use or possession, takes, transfers, conceals or retains possession of any computer, computer system, or any computer software or data contained in a computer, computer system, or computer network~~.~~;

(c) intentionally and without authorization or claim of right accesses or copies any computer software or data and uses, alters, transfers, retains, or publishes the software or data; or

(d) intentionally retains copies of any computer software or data beyond the individual's authority.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 41. Minnesota Statutes 2020, section 626.843, subdivision 1, is amended to read:

Subdivision 1. **Rules required.** (a) The board shall adopt rules with respect to:

(1) the certification of postsecondary schools to provide programs of professional peace officer education;

(2) minimum courses of study and equipment and facilities to be required at each certified school within the state;

(3) minimum qualifications for coordinators and instructors at certified schools offering a program of professional peace officer education located within this state;

(4) minimum standards of physical, mental, and educational fitness which shall govern the admission to professional peace officer education programs and the licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota State Patrol;

(5) board-approved continuing education courses that ensure professional competence of peace officers and part-time peace officers;

(6) minimum standards of conduct which would affect the individual's performance of duties as a peace officer. These standards shall be established and published. The board shall review the minimum standards of conduct described in this clause for possible modification in 1998 and every three years after that time;

(7) a set of educational learning objectives that must be met within a certified school's professional peace officer education program. These learning objectives must concentrate on the knowledge, skills, and abilities deemed essential for a peace officer. Education in these learning objectives shall be deemed satisfactory for the completion of the minimum basic training requirement;

(8) the establishment and use by any political subdivision or state law enforcement agency that employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

(9) the issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency;

(10) supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993;

(11) citizenship requirements for peace officers and part-time peace officers;

(12) driver's license requirements for peace officers and part-time peace officers; and

(13) such other matters as may be necessary consistent with sections 626.84 to 626.863. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.863.

(b) In adopting and enforcing the rules described under paragraph (a), the board shall prioritize the goal of promoting public safety. Promoting public safety includes the promotion of human rights. "Public safety" means reducing or preventing crime by diverting people away from the criminal justice system whenever possible, effecting arrest or detention practices that are the least restrictive necessary to protect the public, and promoting the rehabilitation of those who engage in criminal activity through the provision of evidence-based programming and services, while still maintaining the basic rights, freedoms, and privileges that belong to every person, including the right to dignity, fairness, equality, respect, and freedom from discrimination.

Sec. 42. Minnesota Statutes 2020, section 626A.35, is amended by adding a subdivision 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.

(b) Within 24 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.

Sec. 43. Minnesota Statutes 2021 Supplement, 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 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) 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) 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) Indictments or complaints for violation of sections 609.561 to 609.563~~,~~ shall be found or made and filed in the proper court within five years after the commission of the offense.

(j) 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.

~~(j)~~ (k) 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.

~~(k)~~ (l) 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.

~~(l)~~ (m) 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.

~~(m)~~ (n) 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, 2022, and applies to crimes committed on or after that date.

Sec. 44. Minnesota Statutes 2020, section 629.341, subdivision 3, is amended to read:

Subd. 3. **Notice of rights.** The peace officer shall tell the victim whether a shelter or other services are available in the community and give the victim immediate notice of the legal rights and remedies available. The 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."

The notice must include the resource listing, including telephone number, for the area battered women's shelter, to be designated by the Office of Justice Programs in the Department of ~~Corrections~~ Public Safety.

Sec. 45. Minnesota Statutes 2020, section 629.341, subdivision 4, is amended to read:

Subd. 4. **Report required.** Whenever a peace officer investigates an allegation that an incident described in subdivision 1 has occurred, whether or not an arrest is made, the officer shall make a written police report of the alleged incident. The report must contain at least the following information: the name, address and telephone number of the victim, if provided by the victim, a statement as to whether an arrest occurred, the name of the arrested person, and a brief summary of the incident. Data that identify a victim who has made a request under section 13.82, subdivision 17, paragraph (d), and that are private data under that subdivision, shall be private in the report required by this section. A copy of this report must be provided upon request, at no cost, to the victim of domestic abuse, the victim's attorney, or organizations designated by the Office of Justice Programs in the Department of Public Safety ~~or the commissioner of corrections~~ that are providing services to victims of domestic abuse. The officer shall submit the report to the officer's supervisor or other person to whom the employer's rules or policies require reports of similar allegations of criminal activity to be made.

Sec. 46. Minnesota Statutes 2020, section 629.72, subdivision 6, is amended to read:

Subd. 6. **Notice; release of arrested person.** (a) Immediately after issuance of a citation in lieu of continued detention under subdivision 1, or the entry of an order for release under subdivision 2, but before the arrested person is released, the agency having custody of the arrested person or its designee must make a reasonable and good faith effort to inform orally the alleged victim, local law enforcement agencies known to be involved in the case, if different from the agency having custody, and, at the victim's request any local battered women's and domestic abuse programs established under section 611A.32 or sexual assault programs of:

(1) the conditions of release, if any;

(2) the time of release;

(3) the time, date, and place of the next scheduled court appearance of the arrested person and the victim's right to be present at the court appearance; and

(4) if the arrested person is charged with domestic abuse, the location and telephone number of ~~the area battered women's shelter as~~ programs that provide services to victims of domestic abuse designated by the Office of Justice Programs in the Department of Public Safety.

(b) As soon as practicable after an order for conditional release is entered, the agency having custody of the arrested person or its designee must personally deliver or mail to the alleged victim a copy of the written order and written notice of the information in paragraph (a), clauses (2) and (3).

(c) Data on the victim and the notice provided by the custodial authority are private data on individuals as defined in section 13.02, subdivision 12, and are accessible only to the victim.

Sec. 47. Laws 2021, First Special Session chapter 11, article 2, section 12, is amended to read:

Sec. 12. **299A.477 HOMETOWN HEROES ASSISTANCE PROGRAM.**

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

(b) "Critical illness" means cardiac disease and cancer as well as other illnesses covered by a policy of insurance issued by an insurer in compliance with chapter 60A.

~~(b)~~ (c) "Firefighter" means a volunteer, paid on-call, part-time, or career firefighter serving a general population within the boundaries of the state.

~~(c)~~ (d) "Minnesota Firefighter Initiative" means a collaborative that is established by major fire service organizations in Minnesota, is a nonprofit organization, and is tax exempt under section 501(c)(3) of the Internal Revenue Code.

Subd. 2. **Program established.** The commissioner of public safety shall award a grant to the Minnesota Firefighter Initiative to administer a hometown heroes assistance program for Minnesota firefighters. The Minnesota Firefighter Initiative shall use the grant funds:

(1) to ~~provide a onetime~~ establish and fund critical illness coverage that provides monetary support ~~payment~~ payments to each firefighter who is diagnosed with ~~cancer or heart disease~~ a critical illness on or after August 1, 2021, and who applies for the payment. Monetary support shall be provided according to the requirements in subdivision 3;

(2) to develop a psychotherapy program customized to address emotional trauma experienced by firefighters and to offer all firefighters in the state up to five psychotherapy sessions per year under the customized program, provided by mental health professionals;

(3) to ~~offer~~ coordinate additional psychotherapy sessions to firefighters who need them;

(4) to develop, annually update, and annually provide to all firefighters in the state at least two hours of training on critical illnesses, such as cancer~~,~~ and heart disease, and emotional trauma as causes of illness and death for firefighters; steps and best practices for firefighters to limit the occupational risks of cancer, heart disease, and emotional trauma; provide evidence-based suicide prevention strategies; and ways for firefighters to address occupation-related emotional trauma and promote emotional wellness. The training shall be presented by firefighters who attend an additional course to prepare them to serve as trainers; and

(5) for administrative and overhead costs of the Minnesota Firefighter Initiative associated with conducting the activities in clauses (1) to (4).

Subd. 3. **Critical illness monetary support program.** (a) The Minnesota Firefighter Initiative shall establish and administer a critical illness monetary support program which shall provide ~~a onetime~~ support ~~payment~~ payments of up to $20,000 to each eligible firefighter ~~diagnosed with cancer or heart disease. A firefighter may apply for monetary support from the program, in a form specified by the Minnesota Firefighter Initiative, if the firefighter has a current diagnosis of cancer or heart disease or was diagnosed with cancer or heart disease in the year preceding the firefighter's application~~. A firefighter who is diagnosed with a critical illness on or after August 1, 2021, is eligible to apply for benefits under the monetary support program and has 12 months from the diagnosis to submit an application. A firefighter's application for monetary support must include a certification from the firefighter's health care provider of the firefighter's diagnosis ~~with cancer or heart disease~~ of an eligible critical illness. The Minnesota Firefighter Initiative shall establish criteria to guide disbursement of monetary support payments under this program, and shall scale the amount of monetary support provided to each firefighter according to the severity of the firefighter's diagnosis.

(b) The commissioner of public safety may access the accounts of the critical illness monetary support program ~~and may~~ to conduct periodic audits of the program to ensure that payments are being made in compliance with this section and disbursement criteria established by the Minnesota Firefighter Initiative.

Subd. 4. **Money from nonstate sources.** The commissioner may accept contributions from nonstate sources to supplement state appropriations for the hometown heroes assistance program. Contributions received under this subdivision are appropriated to the commissioner for the grant to the Minnesota Firefighter Initiative for purposes of this section.

Sec. 48. **TASK FORCE ON A COORDINATED APPROACH TO JUVENILE WELLNESS AND JUSTICE.**

Subdivision 1. **Establishment.** The Task Force on a Coordinated Approach to Juvenile Wellness and Justice is established to review the juvenile justice system in Minnesota, examine approaches taken in other jurisdictions, and make policy and funding recommendations to the legislature.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) a district court judge serving as the presiding judge in a district juvenile court appointed by the governor;

(2) the state public defender or a designee;

(3) a county attorney appointed by the Minnesota County Attorneys Association;

(4) the warden of the Minnesota correctional facility for juveniles in Red Wing or a designee;

(5) a representative from a Tribal social services agency or a Tribal Council appointed by the Indian Affairs Council;

(6) a representative from an Ojibwe Indian Tribe and a representative from a Dakota Indian Tribe appointed by the Indian Affairs Council;

(7) a probation agent who supervises juveniles appointed by the Minnesota Association of Community Corrections Act Counties;

(8) a peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the governor from a list of three candidates submitted jointly by the Minnesota Chiefs of Police Association, the Minnesota Sheriffs' Association, and the Minnesota Police and Peace Officers Association;

(9) a high school principal appointed by the governor from a list of two candidates submitted jointly by the commissioner of education and the executive director of Education Minnesota;

(10) a representative from a county social services agency that has responsibility for public child welfare and child protection services, appointed by the governor;

(11) an individual who was the victim of an offense committed by a juvenile, appointed by the governor;

(12) a representative from a community-driven nonprofit law firm that represents juveniles in delinquency matters, appointed by the governor;

(13) an individual who is a children's mental health professional appointed by AspireMN;

(14) an individual who is the family member of youth impacted by the juvenile justice system; and

(15) ten youths under age 25 with interest or experience in the juvenile justice, juvenile protection, and foster care systems.

(b) To the extent possible, the demographics of the public members identified in paragraph (a), clause (15), must be inclusive and represent the ethnic and racial diversity of the state, including gender and sexual orientation, immigrant status, and religious and linguistic background. At least two of those public members must be from outside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(c) Appointments must be made no later than September 15, 2022.

(d) Public members identified in paragraph (a), clause (15), are eligible for compensation and expense reimbursement consistent with Minnesota Statutes, section 15.059, subdivision 3. All other members shall serve without compensation.

(e) 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. 3. **Officers; meetings.** (a) At its first meeting, the members of the task force shall elect cochairs of the task force, at least one of whom must be a public member identified in subdivision 2, paragraph (a), clause (15). The task force may elect other officers as necessary.

(b) The executive director of the Office of Justice Programs shall convene the first meeting of the task force no later than October 15, 2022, and shall provide meeting space and administrative assistance through the Office of Justice Programs as necessary for the task force to conduct its work.

(c) The task force shall meet at least monthly or upon the call of a cochair. 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.

Subd. 4. **Duties.** (a) The task force shall, at a minimum:

(1) review Minnesota's juvenile justice system;

(2) identify areas of overlap and conflict between Minnesota's juvenile justice and child protection systems, including areas of collaboration and coordination, provision of duplicated services, and any inconsistent expectations placed on juveniles;

(3) review alternative approaches to juvenile justice in Minnesota counties, Tribal communities, and other states or jurisdictions;

(4) identify social, emotional, and developmental factors that contribute to delinquent acts by juveniles;

(5) identify approaches to juvenile justice that involve the affected juvenile and address any underlying factors that contribute to delinquent acts by juveniles;

(6) identify approaches to juvenile justice that hold juvenile offenders accountable to victims and the community in ways that seek to strengthen the juvenile's connection to the community; and

(7) make recommendations for community and legislative action to address juvenile justice in Minnesota.

(b) At its discretion, the task force may examine other related issues consistent with this section.

Subd. 5. **Report.** By January 15, 2024, the task force shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy, judiciary finance and policy, human services finance and policy, and education finance and policy.

Subd. 6. **Expiration.** The task force expires the day after submitting its final report under subdivision 5.

Sec. 49. **EMERGENCY COMMUNITY SAFETY GRANTS.**

Subdivision 1. **Definition.** "Re-entry program" means county remote monitoring, county dosage probation programs, county probation check-in stations, and any program primarily aimed at supporting individuals with a criminal record, including but not limited to employment programs, housing programs, and education programs.

Subd. 2. **Expedited disbursement; distribution.** (a) Application materials for grants issued under this section must be prepared and made available to the public by July 15, 2022.

(b) Applications must be reviewed and considered by the commissioner as they are received, and the commissioner shall approve applications when they are determined to meet eligibility requirements and all applicable grant standards.

(c) Half of the total amount awarded must be provided to programs that do not involve law enforcement agencies and are for the purposes identified in subdivision 3, paragraph (c), clauses (1) to (8).

Subd. 3. **Eligible recipients.** (a) A county; city; town; local law enforcement agency, including a law enforcement agency of a federally recognized Tribe, as defined in United States Code, title 25, section 450b(e); or a federally recognized Indian Tribe may apply for emergency community safety grants to support crime prevention programs.

(b) A county, city, town, or a federally recognized Indian Tribe may apply as part of a multijurisdictional collaboration with other counties, cities, towns, or federally recognized Indian Tribes.

(c) As used in this section, "crime prevention programs" includes but is not limited to:

(1) re-entry programs;

(2) victim services programs;

(3) homelessness assistance programs;

(4) mobile crisis teams and embedded social worker programs;

(5) restorative justice programs;

(6) co-responder programs;

(7) juvenile diversion programs;

(8) community violence interruption programs;

(9) increasing the recruitment of officers by utilizing advertisements, or bonuses or scholarships for peace officers who remain continuously employed as peace officers for at least 12 months and have not been subject to disciplinary action in the previous 12 months;

(10) increasing patrols outside of squad cars, on foot or in transportation options that provide more interaction between police and community members;

(11) increasing, establishing, maintaining, or expanding crisis response teams in which social workers or mental health providers are sent as first responders when calls for service indicate that an individual is having a mental health crisis;

(12) establishing, maintaining, or expanding co-responder teams;

(13) purchasing equipment to perform patrols outside of squad cars on foot or in transportation options that provide more interaction between police and community members;

(14) hiring additional non-law-enforcement personnel to conduct functions typically performed by law enforcement with the intent of freeing up additional law enforcement to perform patrols or respond to service calls;

(15) increasing recruitment of additional detectives, investigators, or other individuals with a comparable rank or designation to investigate homicides, nonfatal shootings, or motor vehicle theft, including hiring, on a temporary or permanent basis, retired officers utilizing advertisements, or bonuses or scholarships for peace officers who remain continuously employed as peace officers for at least 12 months and have not been subject to disciplinary action in the previous 12 months;

(16) increasing recruitment of additional peace officers to replace officers transferred or promoted to detective, investigator, or a comparable rank and assigned to investigate homicides, nonfatal shootings, or motor vehicle theft;

(17) ensuring retention of peace officers identified as a detective, investigator, or a comparable rank and assigned to investigate homicides and nonfatal shootings;

(18) acquiring, upgrading, or replacing investigative or evidence-processing technology or equipment;

(19) hiring additional evidence-processing personnel;

(20) ensuring that personnel responsible for evidence processing have sufficient resources and training;

(21) hiring and training personnel to analyze violent crime, specifically with regards to the use of intelligence information of criminal networks and the potential for retaliation among gangs or groups, and the geographic trends among homicides, nonfatal shootings, and carjackings;

(22) ensuring that victim services and personnel are sufficiently funded, staffed, and trained;

(23) ensuring that victims and family members of homicides and nonfatal shootings have access to resources, including:

(i) convenient mental health treatment and grief counseling;

(ii) funeral and burial expenses;

(iii) relocation expenses;

(iv) emergency shelter;

(v) emergency transportation; and

(vi) lost wage assistance;

(24) developing competitive and evidence-based programs to improve homicide and nonfatal shooting clearance rates; or

(25) developing best practices for improving access to, and acceptance of, victim services, including those that promote medical and psychological wellness, ongoing counseling, legal advice, and financial compensation.

Subd. 4. **Application for grants.** (a) A crime prevention program may apply to the commissioner of public safety for a grant for any of the purposes described in subdivision 3. The application must be on forms and pursuant to procedures developed by the commissioner. The application must describe the type or types of intended emergency assistance, estimate the amount of money required, and include any other information deemed necessary by the commissioner.

(b) An applicant may not spend in any fiscal year more than ten percent of the grant awarded for administrative costs.

(c) Grant recipients may use funds to partner with or support other programs.

Subd. 5. **Reporting by crime prevention programs required.** The recipient of a grant under this section shall file a report with the commissioner of public safety by December 15 of each calendar year in which funds were received or used. Reports must itemize the expenditures made, indicate the purpose of those expenditures, and describe the ultimate disposition, if any, of each case. The report must be on forms and pursuant to procedures developed by the commissioner.

Sec. 50. **LOCAL CO-RESPONDER GRANTS.**

Subdivision 1. **Expedited disbursement; distribution.** (a) Application materials for grants issued under this section must be prepared and made available to the public by August 15.

(b) The commissioner must prioritize awarding grants to applicants who are not eligible to apply for local community innovation grants, local community policing grants, or local investigation grants.

(c) Half of the total amount awarded must be provided to programs that do not involve law enforcement agencies and are for the purposes identified in subdivision 3, paragraph (c), clauses (1) to (8).

Subd. 2. **Eligible recipients.** (a) A county; city; town; local law enforcement agency, including a law enforcement agency of a federally recognized Tribe, as defined in United States Code, title 25, section 450b(e); or a federally recognized Indian Tribe may apply for local co-responder grants for the purposes identified in this subdivision.

(b) A county, city, town, or a federally recognized Indian Tribe may apply as part of a multijurisdictional collaboration with other counties, cities, towns, or federally recognized Indian Tribes.

(c) Qualifying programs must partner with local law enforcement organizations and must include:

(1) embedded social workers;

(2) mobile crisis teams; or

(3) violence interrupters who work with law enforcement agencies.

Subd. 3. **Application for grants.** (a) A co-responder program may apply to the commissioner of public safety for a grant for any of the purposes described in subdivision 3. The application must be on forms and pursuant to procedures developed by the commissioner.

(b) An applicant may not spend in any fiscal year more than ten percent of the grant awarded for administrative costs.

(c) Grant recipients may use funds to partner with or support other programs.

Subd. 4. **Reporting by co-responder programs required.** The recipient of a grant under this section shall file a report with the commissioner of public safety by December 15 of each calendar year in which funds were received or used. Reports must itemize the expenditures made, indicate the purpose of those expenditures, and describe the ultimate disposition, if any, of each case. The report must be on forms and pursuant to procedures developed by the commissioner.

Sec. 51. **LOCAL COMMUNITY INNOVATION GRANTS.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Community violence interruption" means a program that works with other organizations and persons in the community to develop community-based responses to violence that use and adapt critical incident response methods, provide targeted interventions to prevent the escalation of violence after the occurrence of serious incidents, and de-escalate violence with the use of community-based interventions. The programs may work with local prosecutorial offices to provide an alternative to adjudication through a restorative justice model.

(c) "Co-responder teams" means a partnership between a group or organization that provides mental health or crisis-intervention services and local units of government or Tribal governments that:

(1) provides crisis-response teams to de-escalate volatile situations;

(2) responds to situations involving a mental health crisis;

(3) promotes community-based efforts designed to enhance community safety and wellness; or

(4) supports community-based strategies to interrupt, intervene in, or respond to violence.

(d) "Qualified local government entity" means a city or town, or a federally recognized Indian Tribe with a law enforcement agency that reports statistics on crime rates.

(e) "Re-entry program" means county remote monitoring, county dosage probation programs, county probation check-in stations, and any program primarily aimed at supporting individuals with a criminal record, including but not limited to employment programs, housing programs, and education programs.

(f) "Restorative justice program" has the meaning given in Minnesota Statutes, section 611A.775, and includes Native American sentencing circles.

Subd. 2. **Expedited disbursement.** (a) Application materials for grants issued under this section must be prepared and made available to the public by September 1.

(b) Applications must be received and reviewed, and successful applicants must be notified of approval, within six months of an appropriation being made to fund the grants.

Subd. 3. **Final review panel.** (a) The Office of Justice Programs shall establish a final review panel of office staff to make final decisions on grants awarded under this section.

(b) Staff serving on the final review panel must represent the office's responsibility for community outreach, research and analysis, crime victim reparations, crime victim justice, financial compliance, or grant management. At a minimum, the final review panel shall include:

(1) three individuals with specialized knowledge of, or an advanced degree in, criminology, sociology, urban studies, or social work;

(2) an individual with professional duties that include research and analysis; and

(3) an individual with professional duties that include grant compliance or grant management.

(c) If the commissioner rejects or otherwise does not follow the final review panel's decisions or recommendations regarding awarding or not awarding a grant, the commissioner shall notify the chair and ranking minority members of the legislative committees with jurisdiction over public safety within three business days and must identify the reasons for the commissioner's decision.

Subd. 4. **Eligible applicants; identification and notice.** (a) The commissioner of public safety shall publish the following lists by August 1 of each year to determine eligibility for the formula grant:

(1) the qualified local government entities with at least three recorded violent crimes in the previous fiscal year and the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(2) the counties with the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(3) the qualified local government entities that are not included in the list generated pursuant to clause (1) and have experienced at least three recorded violent crimes in the previous fiscal year and the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System; and

(4) the counties that are not included in the list generated pursuant to clause (2) and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System.

(b) A county or qualified local government entity identified in any list produced pursuant to paragraph (a), clauses (1) to (4), may apply for a grant under this section. A listed county or qualified local government entity that reports statistics on crime rates may apply as part of a multijurisdictional collaboration with counties or local government entities that are not listed provided the portion of programs or services provided through the grant funding that are performed in the listed county or qualified local government entity is at least equal to its proportion of the membership of the multijurisdictional collaboration.

(c) The commissioner of public safety shall post the lists described in paragraph (a), clauses (1) to (4), on a publicly facing website and shall work with the League of Minnesota Cities, Association of Minnesota Counties, the three ethnic councils established under Minnesota Statutes, section 15.0145, and the Indian Affairs Council established under Minnesota Statutes, section 3.922, to notify entities that are eligible to apply for grants under this section.

Subd. 5. **Grant distribution.** (a) Half of the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (1) or (2).

(b) Half the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (3) or (4).

Subd. 6. **Application materials.** (a) Applicants must submit an application in the form and manner established by the commissioner of public safety.

(b) Applicants must describe the ways in which grant funds will be used to reduce crime in a specific subsection of the county or qualified local government entity through the creation or expansion of programs, including but not limited to the following:

(1) re-entry programs;

(2) victim services programs;

(3) homelessness assistance programs;

(4) mobile crisis teams and embedded social worker programs;

(5) restorative justice programs;

(6) co-responder programs;

(7) juvenile diversion programs;

(8) community violence interruption programs;

(9) blight elimination programs; or

(10) programs that provide technical assistance to service providers who are doing work that would promote public safety.

Subd. 7. **Awards.** (a) Preference in awarding grants should be given to applicants whose proposals are based on evidence-based practices, provide resources to geographic areas that have been historically underinvested, and incorporate input from community stakeholders.

(b) Grant recipients may use funds to partner with or support other programs.

(c) Grant funds may not be used to fund the activities of law enforcement agencies or offset the costs of counties or qualified local government entities.

(d) Any funds that are not encumbered or spent six years after being awarded must be returned to the commissioner of public safety and awarded as part of a local community innovation grant.

Subd. 8. **Evaluation.** Each grant recipient shall complete a standardized evaluation established by the Minnesota Statistical Analysis Center every two years.

Sec. 52. **LOCAL COMMUNITY POLICING GRANTS.**

Subdivision 1. **Definition.** As used in this section, "qualified local government entity" means a federally recognized Indian Tribe with a law enforcement agency that reports statistics on crime rates, or a city or town that has a local law enforcement agency.

Subd. 2. **Expedited disbursement.** (a) Application materials for grants issued under this section must be prepared and made available to the public by September 1.

(b) Applications must be received and reviewed, and successful applicants must be notified of approval, within six months of an appropriation being made to fund the grants.

Subd. 3. **Final review panel.** (a) The Office of Justice Programs shall establish a final review panel of office staff to make final decisions on grants awarded under this section.

(b) Staff serving on the final review panel must represent the office's responsibility for community outreach, research and analysis, crime victim reparations, crime victim justice, financial compliance, or grant management. At a minimum, the final review panel shall include:

(1) three individuals with specialized knowledge of, or an advanced degree in, criminology, sociology, urban studies, or social work;

(2) an individual with professional duties that include research and analysis; and

(3) an individual with professional duties that include grant compliance or grant management.

(c) If the commissioner rejects or otherwise does not follow the final review panel's decisions or recommendations regarding awarding or not awarding a grant, the commissioner shall notify the chair and ranking minority members of the legislative committees with jurisdiction over public safety within three business days and must identify the reasons for the commissioner's decision.

Subd. 4. **Eligible applicants; identification and notice.** (a) The commissioner of public safety shall publish the following lists by August 1 of each year:

(1) the qualified local government entities that have recorded at least three violent crimes in the previous fiscal year and have the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(2) the counties with the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(3) the qualified local government entities that are not included in the list generated pursuant to clause (1), have recorded at least three violent crimes in the previous fiscal year, and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System; and

(4) the counties that are not included in the list generated pursuant to clause (2) and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System.

(b) A county or qualified local government entity identified in any list produced pursuant to paragraph (a), clauses (1) to (4), may apply for a grant under this section. A listed county or qualified local government entity may apply as part of a multijurisdictional collaboration with counties and local government entities that are not listed provided the portion of programs or services provided through the grant funding that are performed in the listed county or qualified local government entity is at least equal to its proportion of the membership of the multijurisdictional collaboration.

(c) The commissioner of public safety shall post the lists described in paragraph (a), clauses (1) to (4), on a publicly facing website and shall work with the League of Minnesota Cities, Association of Minnesota Counties, the three ethnic councils established under Minnesota Statutes, section 15.0145, and the Indian Affairs Council established under Minnesota Statutes, section 3.922, to notify entities that are eligible to apply for grants under this section.

Subd. 5. **Grant distribution.** (a) Half of the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (1) or (2).

(b) Half the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (3) or (4).

Subd. 6. **Application materials.** (a) Applicants must submit an application in the form and manner established by the commissioner.

(b) Applicants must describe the ways in which grant funds will be used to reduce crime by increasing the capacity, efficiency, and effectiveness of law enforcement community policing efforts through approaches, including but not limited to the following:

(1) increasing the recruitment of officers by utilizing advertisements, or bonuses or scholarships for peace officers who remain continuously employed as a peace officer for at least 12 months and have not been subject to disciplinary action in the previous 12 months;

(2) increasing patrols outside of squad cars on foot or in transportation options that provide more interaction between police and community members;

(3) increasing, establishing, maintaining, or expanding crisis response teams in which social workers or mental health providers are sent as first responders when calls for service indicate that an individual is having a mental health crisis;

(4) establishing, maintaining, or expanding co-responder teams;

(5) purchasing equipment to perform patrols outside of squad cars on foot or in transportation options that provide more interaction between police and community members; or

(6) hiring additional non-law-enforcement personnel to conduct functions typically performed by law enforcement with the intent of freeing up additional law enforcement to perform patrols or respond to service calls.

Subd. 7. **Awards.** (a) Preference in awarding grants should be given to applicants whose proposals:

(1) involve community policing strategies;

(2) include collaboration with non-law-enforcement entities such as community-based violence prevention programs, social worker programs, or mental health specialists;

(3) are based on academic studies or based on evidence-based policing research or findings; or

(4) involve increased law enforcement accountability or transparency.

(b) Grant recipients may use funds to partner with or support other programs.

(c) Grant funds may not be used to offset the costs of law enforcement agencies, counties, or qualified local government entities.

(d) Any funds that are not encumbered or spent six years after being awarded must be returned to the commissioner of public safety and awarded as part of a local community innovation grant.

Subd. 8. **Evaluation.** Each grant recipient shall complete a standardized evaluation established by the Minnesota Statistical Analysis Center every two years.

Sec. 53. **LOCAL INVESTIGATION GRANTS.**

Subdivision 1. **Definition.** As used in this section, "qualified local government entity" means a federally recognized Indian Tribe with a law enforcement agency that reports statistics on crime rates, or a city or town that has a local law enforcement agency.

Subd. 2. **Expedited disbursement.** (a) Application materials for grants issued under this section must be prepared and made available to the public by September 1.

(b) Applications must be received and reviewed, and successful applicants must be notified of approval, within six months of an appropriation being made to fund the grants.

Subd. 3. **Final review panel.** (a) The Office of Justice Programs shall establish a final review panel of office staff to make final decisions on grants awarded under this section.

(b) Staff serving on the final review panel must represent the office's responsibility for community outreach, research and analysis, crime victim reparations, crime victim justice, financial compliance, or grant management. At a minimum, the final review panel shall include:

(1) three individuals with specialized knowledge of, or an advanced degree in, criminology, sociology, urban studies, or social work;

(2) an individual with professional duties that include research and analysis; and

(3) an individual with professional duties that include grant compliance or grant management.

(c) If the commissioner rejects or otherwise does not follow the final review panel's decisions or recommendations regarding awarding or not awarding a grant, the commissioner shall notify the chair and ranking minority members of the legislative committees with jurisdiction over public safety within three business days and must identify the reasons for the commissioner's decision.

Subd. 4. **Eligible applicants; identification and notice.** (a) The commissioner of public safety shall publish the following lists by August 1 of each year:

(1) the qualified local government entities that have recorded at least three violent crimes in the previous fiscal year and have the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(2) the counties with the 20 highest per capita crime rates in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System;

(3) the qualified local government entities that are not included in the list generated pursuant to clause (1), have recorded at least three violent crimes in the previous fiscal year, and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System; and

(4) the counties that are not included in the list generated pursuant to clause (2) and have experienced the 20 fastest increases in the per capita rate of crime in the previous fiscal year based on the Uniform Crime Reports or National Incident Based Reporting System.

(b) A county or qualified local government entity identified in any list produced pursuant to paragraph (a), clauses (1) to (4), may apply for a grant under this section. A listed county or qualified local government entity may apply as part of a multijurisdictional collaboration with counties and local government entities that are not listed provided the portion of programs or services provided through the grant funding that are performed in the listed county or qualified local government entity is at least equal to its proportion of the membership of the multijurisdictional collaboration.

(c) The commissioner of public safety shall post the lists described in paragraph (a), clauses (1) to (4), on a publicly facing website and shall work with the League of Minnesota Cities, Association of Minnesota Counties, the three ethnic councils established under Minnesota Statutes, section 15.0145, and the Indian Affairs Council established under Minnesota Statutes, section 3.922, to notify entities that are eligible to apply for grants under this section.

Subd. 5. **Grant distribution.** (a) Half of the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (1) or (2).

(b) Half the total amount appropriated under this section must be awarded to counties or qualified local government entities identified in subdivision 4, paragraph (a), clause (3) or (4).

Subd. 6. **Application materials.** (a) Applicants must submit an application in the form and manner established by the commissioner of public safety.

(b) Applicants must describe the ways in which grant funds will be used to reduce crime by increasing the capacity, efficiency, and effectiveness of law enforcement investigations through approaches, including but not limited to the following:

(1) increasing recruitment of additional detectives, investigators, or other individuals with a comparable rank or designation to investigate homicides, nonfatal shootings, or motor vehicle theft, including hiring, on a temporary or permanent basis, retired officers by utilizing advertisements, or bonuses or scholarships for peace officers who remain continuously employed as a peace officer for at least 12 months and have not been subject to disciplinary action in the previous 12 months;

(2) increasing recruitment of additional peace officers to replace officers transferred or promoted to detective, investigator, or a comparable rank and assigned to investigate homicides, nonfatal shootings, or motor vehicle theft;

(3) ensuring retention of peace officers identified as a detective, investigator, or a comparable rank and assigned to investigate homicides and nonfatal shootings;

(4) acquiring, upgrading, or replacing investigative or evidence-processing technology or equipment;

(5) hiring additional evidence-processing personnel;

(6) ensuring that personnel responsible for evidence processing have sufficient resources and training;

(7) hiring and training personnel to analyze violent crime, specifically with regards to the use of intelligence information of criminal networks and the potential for retaliation among gangs or groups, and the geographic trends among homicides, nonfatal shootings, and carjackings;

(8) ensuring that victim services and personnel are sufficiently funded, staffed, and trained;

(9) ensuring that victims and family members of homicides and nonfatal shootings have access to resources, including:

(i) convenient mental health treatment and grief counseling;

(ii) assistance for funeral and burial expenses;

(iii) assistance for relocation expenses;

(iv) emergency shelter;

(v) emergency transportation; and

(vi) lost wage assistance;

(10) developing competitive and evidence-based programs to improve homicide and nonfatal shooting clearance rates; or

(11) developing best practices for improving access to, and acceptance of, victim services, including those that promote medical and psychological wellness, ongoing counseling, legal advice, and financial compensation.

Subd. 7. **Awards.** (a) Grant recipients may use funds to partner with or support other programs.

(b) Grant funds may not be used to fund undercover peace officer work or offset the costs of law enforcement agencies, counties, or qualified local government entities.

(c) Any funds that are not encumbered or spent six years after being awarded must be returned to the commissioner of public safety and awarded as part of a local community innovation grant.

Subd. 8. **Evaluation.** Each grant recipient shall complete a standardized evaluation established by the Minnesota Statistical Analysis Center every two years.

Sec. 54. **REPEALER.**

Minnesota Statutes 2020, sections 299A.49, subdivision 7; 403.02, subdivision 17c; 609.281, subdivision 2; 609.293, subdivisions 1 and 5; 609.34; and 609.36, are repealed.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

ARTICLE 3
LAW ENFORCEMENT POLICY

Section 1. Minnesota Statutes 2020, section 214.10, subdivision 10, is amended to read:

Subd. 10. **Board of Peace Officers Standards and Training; receipt of complaint.** Notwithstanding the provisions of subdivision 1 to the contrary, when the executive director or any member of the Board of Peace Officer Standards and Training produces or receives a written statement or complaint that alleges a violation of a statute or rule that the board is empowered to enforce, the executive director shall designate the appropriate law enforcement agency to investigate the complaint and ~~shall~~ may order it to conduct an inquiry into the complaint's allegations. The investigating agency must complete the inquiry and submit a written summary of it to the executive director within 30 days of the order for inquiry.

Sec. 2. Minnesota Statutes 2020, section 541.073, subdivision 2, is amended to read:

Subd. 2. **Limitations period.** (a) Except as provided in paragraph (b), an action for damages based on sexual abuse: (1) must be commenced within six years of the alleged sexual abuse in the case of alleged sexual abuse of an individual 18 years or older; (2) may be commenced at any time in the case of alleged sexual abuse of an individual under the age of 18, except as provided for in subdivision 4; and (3) must be commenced before the plaintiff is 24 years of age in a claim against a natural person alleged to have sexually abused a minor when that natural person was under 14 years of age.

(b) An action for damages based on sexual abuse may be commenced at any time in the case of alleged sexual abuse by a peace officer, as defined in section 626.84, subdivision 1, paragraph (c).

~~(b)~~ (c) The plaintiff need not establish which act in a continuous series of sexual abuse acts by the defendant caused the injury.

~~(c)~~ (d) This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.

EFFECTIVE DATE. (a) This section is effective the day following final enactment. Except as provided in paragraph (b), this section applies to actions that were not time-barred before the effective date.

(b) Notwithstanding any other provision of law, in the case of alleged sexual abuse of an individual by a peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), if the action would otherwise be time-barred under a previous version of Minnesota Statutes, section 541.073, or other time limit, an action for damages against a peace officer may be commenced no later than five years following the effective date of this section.

Sec. 3. Minnesota Statutes 2020, section 573.02, subdivision 1, is amended to read:

Subdivision 1. **Death action.** (a) When death is caused by the wrongful act or omission of any person or corporation, the trustee appointed as provided in subdivision 3 may maintain an action therefor if the decedent might have maintained an action, had the decedent lived, for an injury caused by the wrongful act or omission. An action to recover damages for a death caused by the alleged professional negligence of a physician, surgeon, dentist, hospital or sanitarium, or an employee of a physician, surgeon, dentist, hospital or sanitarium shall be commenced within three years of the date of death, but in no event shall be commenced beyond the time set forth in section 541.076. An action to recover damages for a death caused by an intentional act constituting murder may be commenced at any time after the death of the decedent. An action to recover damages for a death caused by a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), must be commenced within six years after the Bureau of Criminal Apprehension or affected agency receives notice of declination of charges or at the completion of criminal proceedings. Any other action under this section may be commenced within three years after the date of death provided that the action must be commenced within six years after the act or omission. The recovery in the action is the amount the jury deems fair and just in reference to the pecuniary loss resulting from the death, and shall be for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court then determines the proportionate pecuniary loss of the persons entitled to the recovery and orders distribution accordingly. Funeral expenses and any demand for the support of the decedent allowed by the court having jurisdiction of the action, are first deducted and paid. Punitive damages may be awarded as provided in section 549.20.

(b) If an action for the injury was commenced by the decedent and not finally determined while living, it may be continued by the trustee for recovery of damages for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court on motion shall make an order allowing the continuance and directing pleadings to be made and issues framed as in actions begun under this section.

EFFECTIVE DATE. (a) This section is effective the day following final enactment. Except as provided in paragraph (b), this section applies to actions that were not time-barred before the effective date.

(b) Notwithstanding any other provision of law, in the case of a death caused by a peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), if the action would otherwise be time-barred under a previous version of Minnesota Statutes, section 573.02, or other time limit, an action for damages against a peace officer may be commenced no later than five years following the effective date of this section.

Sec. 4. Minnesota Statutes 2020, section 626.76, is amended by adding a subdivision to read:

Subd. 2a. **Compliance review officers.** (a) Except as provided for in paragraph (c), when a major public safety event requires a joint operation involving three or more law enforcement agencies, including at least one state law enforcement agency, at least one representative from each state law enforcement agency's internal affairs unit must be temporarily reassigned as a compliance review officer. Compliance review officers assigned to a major public safety event must be present on the scene and perform the following functions:

(1) inspect and inform senior officers of any policy, regulatory, or state law violations by state law enforcement;

(2) proactively speak with media and the public to gather information on law enforcement's response to determine compliance with policy, regulation, and state law when it does not obstruct police operation or place officers in jeopardy; and

(3) note and report any policy, regulation, or state law violations by state law enforcement to the proper authority.

(b) A compliance review officer assigned to perform the duties under paragraph (a) shall not participate in subsequent investigations related to that major public safety event except for as a witness.

(c) The requirement to have compliance review officers on scene under paragraph (a) does not apply if the presence of compliance review officers would obstruct law enforcement operations or place compliance review officers or peace officers in danger.

(d) For purposes of this section, "major public safety event" means:

(1) an event where more than 50 peace officers are needed to respond;

(2) an event that is expected to, or has, a crowd in excess of 200 persons; or

(3) an event that is expected to, or has, a crowd in excess of 50 persons and a local or statewide state of emergency is declared.

Sec. 5. Minnesota Statutes 2020, section 626.843, is amended by adding a subdivision to read:

Subd. 1c. **Physical strength and agility examinations.** (a) Beginning on December 1, 2022, physical strength and agility screening examinations required by law enforcement agencies for applicants must be scientifically content-validated and job-related. This requirement does not apply to tests of an applicant's cardiovascular health or general physical fitness to serve as a peace officer.

(b) The board must enact rules establishing standards for physical strength and agility examinations required by law enforcement agencies that comply with the requirements set forth in this subdivision.

Sec. 6. Minnesota Statutes 2020, section 626.843, is amended by adding a subdivision to read:

Subd. 1d. **Rules governing certain misconduct.** No later than January 1, 2024, the board must adopt rules under chapter 14 that permit the board to take disciplinary action on a licensee for a violation of a standard of conduct in Minnesota Rules, chapter 6700, whether or not criminal charges have been filed and in accordance with the evidentiary standards and civil processes for boards under chapter 214.

Sec. 7. Minnesota Statutes 2020, section 626.8473, subdivision 3, is amended to read:

Subd. 3. **Written policies and procedures required.** (a) The chief officer of every state and local law enforcement agency that uses or proposes to use a portable recording system must establish and enforce a written policy governing its use. In developing and adopting the policy, the law enforcement agency must provide for public comment and input as provided in subdivision 2. Use of a portable recording system without adoption of a written policy meeting the requirements of this section is prohibited. The written policy must be posted on the agency's website, if the agency has a website.

(b) At a minimum, the written policy must incorporate and require compliance with the following:

(1) the requirements of section 13.825 and other data classifications, access procedures, retention policies, and data security safeguards that, at a minimum, meet the requirements of chapter 13 and other applicable law. The policy must prohibit altering, erasing, or destroying any recording made with a peace officer's portable recording system or data and metadata related to the recording prior to the expiration of the applicable retention period under section 13.825, subdivision 3, except that the full, unedited, and unredacted recording of a peace officer using deadly force must be maintained indefinitely;

(2) mandate that a portable recording system be:

(i) worn where it affords an unobstructed view, and above the mid-line of the waist;

(ii) activated during all contacts with citizens in the performance of official duties other than community engagement, to the extent practical without compromising officer safety; and

(iii) activated when the officer arrives on scene of an incident and remain active until the conclusion of the officer's duties at the scene of the incident;

(3) mandate that officers assigned a portable recording system wear and operate the system in compliance with the agency's policy adopted under this section while performing law enforcement activities under the command and control of another chief law enforcement officer or federal law enforcement official;

(4) mandate that, notwithstanding any law to the contrary, a deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children be entitled to view any and all recordings from a peace officer's portable recording system, redacted no more than what is required by law, of an officer's use of deadly force no later than five business days following an incident where deadly force used by a peace officer results in the death of an individual, except that a chief law enforcement officer may deny a request if the investigating agency requests and can articulate a compelling reason as to why allowing the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children to review the recordings would interfere with a thorough investigation. If the chief law enforcement officer denies a request under this paragraph, the involved officer's agency must issue a prompt, written denial and provide notice to the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children that relief may be sought from the district court;

(5) mandate that, notwithstanding any law to the contrary, an involved officer's agency shall release all body-worn camera recordings of an incident where a peace officer used deadly force and an individual dies to the public no later than 14 business days after the incident, except that a chief law enforcement officer shall not release the video if the investigating agency asserts in writing that allowing the public to view the recordings would interfere with the ongoing investigation;

(6) procedures for testing the portable recording system to ensure adequate functioning;

~~(3)~~ (7) procedures to address a system malfunction or failure, including requirements for documentation by the officer using the system at the time of a malfunction or failure;

~~(4)~~ (8) circumstances under which recording is mandatory, prohibited, or at the discretion of the officer using the system;

~~(5)~~ (9) circumstances under which a data subject must be given notice of a recording;

~~(6)~~ (10) circumstances under which a recording may be ended while an investigation, response, or incident is ongoing;

~~(7)~~ (11) procedures for the secure storage of portable recording system data and the creation of backup copies of the data; and

~~(8)~~ (12) procedures to ensure compliance and address violations of the policy, which must include, at a minimum, supervisory or internal audits and reviews, and the employee discipline standards for unauthorized access to data contained in section 13.09.

(c) The board has authority to inspect state and local law enforcement agency policies to ensure compliance with this section. The board may conduct this inspection based upon a complaint it receives about a particular agency or through a random selection process. The board may impose licensing sanctions and seek injunctive relief under section 214.11 for an agency's or licensee's failure to comply with this section.

Sec. 8. Minnesota Statutes 2020, section 626.89, subdivision 17, is amended to read:

Subd. 17. **Civilian review.** (a) As used in this subdivision, the following terms have the meanings given:

(1) "civilian oversight council" means a civilian review board, commission, or other oversight body established by a local unit of government to provide civilian oversight of a law enforcement agency and officers employed by the agency; and

(2) "misconduct" means a violation of law, standards promulgated by the Peace Officer Standards and Training Board, or agency policy.

(b) A local unit of government may establish a civilian ~~review board, commission, or other~~ oversight ~~body shall not have~~ council and grant the council the authority to make a finding of fact or determination regarding a complaint against an officer or impose discipline on an officer. ~~A civilian review board, commission, or other oversight body may make a recommendation regarding the merits of a complaint, however, the recommendation shall be advisory only and shall not be binding on nor limit the authority of the chief law enforcement officer of any unit of government.~~

(c) At the conclusion of any criminal investigation or prosecution, if any, a civilian oversight council may conduct an investigation into allegations of peace officer misconduct and retain an investigator to facilitate an investigation. Subject to other applicable law, a council may subpoena or compel testimony and documents in an investigation. Upon completion of an investigation, a council may make a finding of misconduct and recommend appropriate discipline against peace officers employed by the agency. If the governing body grants a council the authority, the council may impose discipline on peace officers employed by the agency. A council may submit investigation reports that contain findings of peace officer misconduct to the chief law enforcement officer and the Peace Officer Standards and Training Board's complaint committee. A council may also make policy recommendations to the chief law enforcement officer and the Peace Officer Standards and Training Board.

(d) The chief law enforcement officer of a law enforcement agency under the jurisdiction of a civilian oversight council shall cooperate with the council and facilitate the council's achievement of its goals. However, the officer is under no obligation to agree with individual recommendations of the council and may oppose a recommendation. If the officer fails to implement a recommendation that is within the officer's authority, the officer shall inform the council of the failure along with the officer's underlying reasons.

(e) Peace officer discipline decisions imposed pursuant to the authority granted under this subdivision shall be subject to the applicable grievance procedure established or agreed to under chapter 179A.

(f) Data collected, created, received, maintained, or disseminated by a civilian oversight council related to an investigation of a peace officer are personnel data as defined under section 13.43, subdivision 1, and are governed by that section.

Sec. 9. Minnesota Statutes 2020, section 626.93, is amended by adding a subdivision to read:

Subd. 8. **Exception; Leech Lake Band of Ojibwe.** Notwithstanding any contrary provision in subdivision 3 or 4, the Leech Lake Band of Ojibwe has concurrent jurisdictional authority under this section with the local county sheriff within the geographical boundaries of the band's reservation to enforce state criminal law if the requirements of subdivision 2 are met, regardless of whether a cooperative agreement pursuant to subdivision 4 is entered into.

Sec. 10. Laws 2021, First Special Session chapter 11, article 1, section 15, subdivision 3, is amended to read:

Subd. 3. **Peace Officer Training Assistance**

Philando Castile Memorial Training Fund $6,000,000 each year is to support and strengthen law enforcement training and implement best practices. This funding shall be named the "Philando Castile Memorial Training Fund." These funds may only be used to reimburse costs related to training courses that qualify for reimbursement under Minnesota Statutes, sections 626.8469 (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~~, including skills and concepts such as crisis intervention, de-escalation, and cultural competency that are relevant to the course provided~~; 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 $0 in fiscal year 2026 and thereafter.

Sec. 11. **TASK FORCE ON ALTERNATIVE COURSES TO PEACE OFFICER LICENSURE.**

Subdivision 1. **Establishment.** The Task Force on Alternative Courses to Peace Officer Licensure is established to increase recruitment of new peace officers, increase the diversity of the racial makeup and professional background of licensed peace officers, promote education and training in community policing models, maintain the high standards of education and training required for licensure, and make policy and funding recommendations to the legislature.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) the chair of the Peace Officer Standards and Training Board, or a designee;

(2) a member of the Peace Officer Standards and Training Board representing the general public appointed by the chair of the Peace Officer Standards and Training Board;

(3) the chief of the State Patrol, or a designee;

(4) the superintendent of the Bureau of Criminal Apprehension, or a designee;

(5) the attorney general, or a designee;

(6) the president of the Minnesota Chiefs of Police Association, or a designee;

(7) the president of the Minnesota Sheriffs' Association, or a designee;

(8) 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), appointed by the Indian Affairs Council;

(9) the executive director of the Minnesota Police and Peace Officers Association, or a designee;

(10) a peace officer appointed by the executive director of the Minnesota Police and Peace Officers Association;

(11) a member of a civilian review board appointed by the governor;

(12) an attorney who provides legal advice to victims of police brutality or who advocates for civil liberties appointed by the governor;

(13) a representative from an organization that provides direct services to families or communities impacted by police violence appointed by the governor; and

(14) two representatives from postsecondary schools certified to provide programs of professional peace officer education appointed by the governor.

(b) Appointments must be made no later than August 30, 2022.

(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. 3. **Officers; meetings.** (a) The task force shall elect a chair and vice-chair from among its members. The task force may elect other officers as necessary.

(b) The chair of the Peace Officer Standards and Training Board shall convene the first meeting of the task force no later than September 15, 2022, 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.

Subd. 4. **Duties.** (a) The task force shall, at a minimum:

(1) identify barriers to recruiting peace officers;

(2) develop strategies for recruiting new peace officers;

(3) develop policies and procedures to increase the diversity of the racial makeup and professional background of licensed peace officers;

(4) identify or develop curriculum that utilizes community policing models;

(5) provide recommendations on how to create and support an expedited pathway for individuals to become peace officers; and

(6) assure that any alternative courses to licensure maintain the high standards of education and training required for licensure as a peace officer in Minnesota.

(b) At its discretion, the task force may examine, as necessary, other related issues consistent with this section.

Subd. 5. **Report.** By January 15, 2024, the task force must submit a report on its findings and recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy and the Minnesota Sentencing Guidelines Commission.

Subd. 6. **Expiration.** The task force expires the day after submitting its report under subdivision 5.

Sec. 12. **TITLE.**

Sections 2 and 3 may be known as "Justin Teigen's Law."

ARTICLE 4
CONTROLLED SUBSTANCE POLICY

Section 1. Minnesota Statutes 2020, section 152.01, subdivision 9a, is amended to read:

Subd. 9a. **Mixture.** "Mixture" means a preparation, compound, mixture, or substance containing a controlled substance, regardless of purity except as provided in ~~subdivision 16;~~ sections 152.021, subdivision 2, paragraph (b); 152.022, subdivision 2, paragraph (b); and 152.023, subdivision 2, paragraph (b).

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2020, section 152.01, is amended by adding a subdivision to read:

Subd. 9b. **Marijuana flower.** "Marijuana flower" means the flower, leaves, stems, seeds, or plant form of marijuana.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 152.01, is amended by adding a subdivision to read:

Subd. 9c. **Nonflower marijuana.** "Nonflower marijuana" means the resinous form of marijuana.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 4. Minnesota Statutes 2020, section 152.01, subdivision 12a, is amended to read:

Subd. 12a. **Park zone.** "Park zone" means an area designated as a public park by the federal government, the state, a local unit of government, a park district board, or a park and recreation board in a city of the first class or a federally recognized Indian Tribe. "Park zone" includes the area within 300 feet or one city block, whichever distance is greater, of the park boundary.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2020, section 152.01, subdivision 16, is amended to read:

Subd. 16. **Small amount.** "Small amount" as applied to marijuana means: (1) 42.5 grams or less~~. This provision shall not apply to the resinous form~~ of marijuana flowers; or (2) eight grams or less of any nonflower marijuana mixture. Nonflower marijuana mixtures weighing eight grams or less may not be considered in determining the 42.5 gram limit in clause (1). The weight of fluid used in a water pipe may not be considered in determining a small amount ~~except in cases where the marijuana is mixed with four or more fluid ounces of fluid~~.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2021 Supplement, section 152.01, subdivision 18, is amended to read:

Subd. 18. **Drug paraphernalia.** (a) Except as otherwise provided in paragraph (b), "drug paraphernalia" means all equipment, products, and materials of any kind, except those items used in conjunction with permitted uses of controlled substances, including but not limited to the permitted uses of marijuana, under this chapter or the Uniform Controlled Substances Act, which are knowingly or intentionally used primarily in (1) manufacturing a controlled substance, (2) injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance,

~~(3) testing the strength, effectiveness, or purity of a controlled substance,~~ or ~~(4)~~ (3) enhancing the effect of a controlled substance.

(b) "Drug paraphernalia" does not include the possession, manufacture, delivery, or sale of~~: (1)~~ hypodermic needles or syringes in accordance with section 151.40, subdivision 2~~; or (2) products that detect the presence of fentanyl or a fentanyl analog in a controlled substance~~.

Sec. 7. Minnesota Statutes 2020, 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 containing heroin;

(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, 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 one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 500 or more marijuana plants.

(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 marijuana mixture. For other mixtures, the weight of fluid may not be considered except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2020, 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 containing heroin;

(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, 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 one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 100 or more marijuana plants.

(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 marijuana mixture. For other mixtures, the weight of fluid may not be considered except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2020, 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;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing heroin;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug, 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 one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; 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 marijuana mixture. For other mixtures, the weight of fluid may not be considered except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2020, section 152.025, subdivision 4, is amended to read:

Subd. 4. **Penalty.** (a) A person convicted under the provisions of subdivision 2, clause (1), who has not been previously convicted of a violation of this chapter or a similar offense in another jurisdiction, is guilty of a gross misdemeanor if:

(1) the amount of the controlled substance possessed, other than heroin or a small amount of marijuana, is less than 0.25 grams or one dosage unit or less if the controlled substance was possessed in dosage units; ~~or~~

(2) the controlled substance possessed is heroin and the amount possessed is less than 0.05 grams~~.~~; or

(3) the controlled substance possessed is marijuana and the amount possessed is:

(i) more than 42.5 grams but not more than 85 grams of marijuana flowers; or

(ii) more than eight grams but not more than 16 grams of any nonflower marijuana mixture.

(b) A person convicted under the provisions of subdivision 1; subdivision 2, clause (1), unless the conduct is described in paragraph (a); or subdivision 2, clause (2), 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.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2020, section 152.027, subdivision 4, is amended to read:

Subd. 4. **Possession or sale of small amounts of marijuana.** ~~(a)~~ A person who unlawfully sells a small amount of marijuana for no remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty misdemeanor ~~and shall be required to participate in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority~~.

~~(b) A person convicted of an unlawful sale under paragraph (a) who is subsequently convicted of an unlawful sale under paragraph (a) within two years is guilty of a misdemeanor and shall be required to participate in a chemical dependency evaluation and treatment if so indicated by the evaluation.~~

~~(c) A person who is convicted of a petty misdemeanor under paragraph (a) who willfully and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor. Compliance with the terms of the sentence imposed before conviction under this paragraph is an absolute defense.~~

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to acts committed on or after that date.

Sec. 12. Minnesota Statutes 2020, section 152.0271, is amended to read:

152.0271 NOTICE OF DRUG CONVICTIONS; DRIVER'S LICENSE REVOCATION.

When a person is convicted of violating a provision of sections 152.021 to 152.0262 or section 152.027 ~~and 152.0262~~, subdivision 1, 2, 3, 5, 6, or 7, the sentencing court shall determine whether the person unlawfully sold or possessed the controlled substance while driving a motor vehicle. If so, the court shall notify the commissioner of public safety of its determination and order the commissioner to revoke the person's driver's license for 30 days. If the person does not have a driver's license or if the person's driver's license is suspended or revoked at the time of the conviction, the commissioner shall delay the issuance or reinstatement of the person's driver's license for 30 days after the person applies for the issuance or reinstatement of the license. Upon receipt of the court's order, the commissioner is authorized to take the licensing action without a hearing.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to convictions that take place on or after that date.

Sec. 13. Minnesota Statutes 2020, section 152.096, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts; penalties.** Any person who conspires to commit any felony act prohibited by this chapter, except possession or distribution for no remuneration of a small amount of marijuana as defined in section 152.01, subdivision 16, is guilty of a felony and upon conviction may be imprisoned, fined, or both, up to the maximum amount authorized by law for the act the person conspired to commit.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2020, section 152.18, subdivision 3, is amended to read:

Subd. 3. **Expungement of certain marijuana offenses.** Any person who has been found guilty of: (1) a violation of section 152.09 with respect to a small amount of marijuana which violation occurred prior to April 11, 1976, and whose conviction would have been a petty misdemeanor under the provisions of section 152.15, subdivision 2, clause (5) in effect on April 11, 1978, but whose conviction was for an offense more serious than a petty misdemeanor under laws in effect prior to April 11, 1976~~,~~; or (2) a violation of section 152.025 that occurred before August 1, 2022, where the violation would have been a petty misdemeanor under section 152.027, subdivision 4, in effect on August 1, 2022, may petition the court in which the person was convicted to expunge from all official records, other than the nonpublic record retained by the Department of Public Safety pursuant to section 152.15, subdivision 2, clause (5), all recordation relating to the person's arrest, indictment or information, trial and conviction of an offense more serious than a petty misdemeanor. The court, upon being satisfied that a small amount was involved in the conviction, shall order all the recordation expunged. This shall restore the person's ability to possess, receive, ship, or transport firearms and handle firearms and ammunition. No person as to whom an order has been entered pursuant to this subdivision shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge conviction of an offense greater than a petty misdemeanor, unless possession of marijuana is material to a proceeding.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 15. Minnesota Statutes 2020, section 152.32, is amended by adding a subdivision to read:

Subd. 4. **Probation; supervised release.** (a) A court shall not prohibit a person from participating in the registry program under sections 152.22 to 152.37 as a condition of probation, parole, pretrial conditional release, or supervised release or revoke a patient's probation, parole, pretrial conditional release, or supervised release or otherwise sanction a patient on probation, parole, pretrial conditional release, or supervised release, nor weigh participation in the registry program, or positive drug test for cannabis components or metabolites by registry participants, or both, as a factor when considering penalties for violations of probation, parole, pretrial conditional release, or supervised release.

(b) The commissioner of corrections, probation agent, or parole officer shall not prohibit a person from participating in the registry program under sections 152.22 to 152.37 as a condition of parole, supervised release, or conditional release or revoke a patient's parole, supervised release, or conditional release or otherwise sanction a patient on parole, supervised release, or conditional release solely for participating in the registry program or for a positive drug test for cannabis components or metabolites.

Sec. 16. **[152.325] CRIMINAL AFFIRMATIVE DEFENSE.**

It is an affirmative defense to a charge of possession of marijuana that the defendant was enrolled in the registry program under sections 152.22 to 152.37 and possessed the marijuana to use for a qualifying medical condition or was a visiting patient and possessed the marijuana for medical use as authorized under the laws or regulations of the visiting patient's jurisdiction of residence. This affirmative defense applies to a charge of violating:

(1) section 152.025, subdivision 2, involving possession of the amount of marijuana identified in section 152.025, subdivision 4, paragraph (a), clause (3); or

(2) section 152.027, subdivision 3 or 4.

Sec. 17. Minnesota Statutes 2020, section 260B.198, subdivision 1, is amended to read:

Subdivision 1. **Court order, findings, remedies, treatment.** (a) If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(1) counsel the child or the 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 child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(3) if the court determines that the child is a danger to self or others, subject to the supervision of the court, transfer legal custody of the child to one of the following:

(i) a child-placing agency;

(ii) the local social services agency;

(iii) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16;

(iv) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(v) 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) transfer legal custody by commitment to the commissioner of corrections;

(5) if the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(6) require the child to pay a fine of up to $1,000. The court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(7) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(8) if the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize;

(9) if the court believes that it is in the best interest of the child and of public safety that the child is enrolled in school, the court may require the child to remain enrolled in a public school until the child reaches the age of 18 or completes all requirements needed to graduate from high school. Any child enrolled in a public school under this clause is subject to the provisions of the Pupil Fair Dismissal Act in chapter 127;

(10) if the child is petitioned and found by the court to have committed a controlled substance offense under sections 152.021 to 152.0262 or section 152.027, subdivision 1, 2, 3, 5, 6, or 7, the court shall determine whether the child unlawfully possessed or sold the controlled substance while driving a motor vehicle. If so, the court shall notify the commissioner of public safety of its determination and order the commissioner to revoke the child's driver's license for the applicable time period specified in section 152.0271. If the child does not have a driver's license or if the child's driver's license is suspended or revoked at the time of the delinquency finding, the commissioner shall, upon the child's application for driver's license issuance or reinstatement, delay the issuance or reinstatement of the child's driver's license for the applicable time period specified in section 152.0271. Upon receipt of the court's order, the commissioner is authorized to take the licensing action without a hearing;

(11) if the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a delinquency petition based on one or more of those sections, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of juvenile sex offenders. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment. Notwithstanding section 13.384, 13.85, 144.291 to 144.298, or 260B.171, or chapter 260E, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:

(i) medical data under section 13.384;

(ii) corrections and detention data under section 13.85;

(iii) health records under sections 144.291 to 144.298;

(iv) juvenile court records under section 260B.171; and

(v) local welfare agency records under chapter 260E.

Data disclosed under this clause may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law; or

(12) if the child is found delinquent due to the commission of an offense that would be a felony if committed by an adult, the court shall make a specific finding on the record regarding the juvenile's mental health and chemical dependency treatment needs.

(b) Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered and shall also set forth in writing the following information:

(1) why the best interests of the child are served by the disposition ordered; and

(2) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case. Clause (1) does not apply to a disposition under subdivision 1a.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to findings by the court made on or after that date.

Sec. 18. Minnesota Statutes 2020, section 609.165, subdivision 1a, is amended to read:

Subd. 1a. **Certain convicted felons ineligible to possess firearms or ammunition.** The order of discharge must provide that a person who has been convicted of a crime of violence, as defined in section 624.712, subdivision 5, is not entitled to ship, transport, possess, or receive a firearm or ammunition for the remainder of the person's lifetime. Any person who has received such a discharge and who thereafter has received a relief of disability under United States Code, title 18, section 925, or whose ability to possess firearms and ammunition has been restored under subdivision 1d or section 152.18, subdivision 3, shall not be subject to the restrictions of this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 19. Minnesota Statutes 2020, section 609.165, subdivision 1b, is amended to read:

Subd. 1b. **Violation and penalty.** (a) Any person who has been convicted of a crime of violence, as defined in section 624.712, subdivision 5, and who ships, transports, possesses, or receives a firearm or ammunition, commits a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $30,000, or both.

(b) A conviction and sentencing under this section shall be construed to bar a conviction and sentencing for a violation of section 624.713, subdivision 2.

(c) The criminal penalty in paragraph (a) does not apply to any person who has received a relief of disability under United States Code, title 18, section 925, or whose ability to possess firearms and ammunition has been restored under subdivision 1d or section 152.18, subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 20. Minnesota Statutes 2020, section 609A.02, is amended by adding a subdivision to read:

Subd. 1a. **Certain petty misdemeanor controlled substance offenses.** Records related to petty misdemeanor violations of section 152.027, subdivision 4, or 152.092 involving marijuana-related drug paraphernalia shall be sealed without the filing of a petition as provided in section 609A.027.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 21. **[609A.027] NO PETITION REQUIRED FOR CERTAIN PETTY MISDEMEANOR CONTROLLED SUBSTANCE VIOLATIONS AFTER ONE-YEAR WAITING PERIOD.**

(a) At the conclusion of one year following conviction for a petty misdemeanor violation of section 152.027, subdivision 4, or 152.092 involving marijuana-related drug paraphernalia and the payment of any fines, fees, and surcharges and, if applicable, the successful completion of any required drug education program, or following the dismissal of a petty misdemeanor charge for violating section 152.027, subdivision 4, or 152.092 involving marijuana-related drug paraphernalia, the court shall order, without the filing of a petition, the sealing of all records relating to the arrest, charge, trial, dismissal, and conviction.

(b) A record sealed under paragraph (a) may be opened only as provided in section 609A.03, subdivision 7a.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 22. **TASK FORCE ON ABUSE OF CONTROLLED SUBSTANCES.**

Subdivision 1. **Establishment.** The Task Force on Abuse of Controlled Substances is established to review the ways in which the state's justice, social service, and health systems currently respond to individuals who abuse controlled substances or commit controlled substance offenses, to examine approaches taken in other jurisdictions, and to make policy and funding recommendations to the legislature.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) the commissioner of public safety;

(2) the commissioner of human services;

(3) the commissioner of corrections, or a designee;

(4) the commissioner of health, or a designee;

(5) the chief justice, or a designee;

(6) the state public defender, or a designee;

(7) a county attorney appointed by the Minnesota County Attorneys Association;

(8) a representative from Indian health services or a Tribal council appointed by the Indian Affairs Council;

(9) a representative of the Community Corrections Act counties appointed by the Minnesota Association of Community Corrections Act Counties;

(10) a peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), who is a member of a multijurisdictional drug task force appointed by the Minnesota Chiefs of Police Association;

(11) a peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the Minnesota Sheriffs' Association;

(12) a member of the Minnesota State Board of Pharmacy appointed by the board's president;

(13) a member of the Opiate Epidemic Response Advisory Council appointed by the council's chair;

(14) a representative from a community health board appointed by the commissioner of health;

(15) a member representing sober living programs or substance use disorder programs licensed under Minnesota Statutes, chapter 245G, appointed by the commissioner of human services;

(16) a member of the Minnesota Association of County Social Service Administrators appointed by the association's president;

(17) a member of the public with a substance use disorder who has experience in the criminal justice system appointed by the governor; and

(18) a member of the public who has been the victim of a crime relating to substance abuse appointed by the governor.

(b) Appointments must be made no later than August 30, 2022.

(c) Public members identified in paragraph (a), clauses (17) and (18), are eligible for compensation and expense reimbursement consistent with Minnesota Statutes, section 15.059, subdivision 3. All other 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. 3. **Officers; meetings.** (a) The commissioners of public safety and human services shall cochair the task force. The task force may elect other officers as necessary.

(b) The commissioner of public safety shall convene the first meeting of the task force no later than September 15, 2022, and shall provide meeting space and administrative assistance through the Office of Justice Programs as necessary for the task force to conduct its work.

(c) The task force shall meet at least monthly or upon the call of a cochair. 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.

Subd. 4. **Duties.** (a) The task force shall, at a minimum:

(1) collect and analyze data on controlled substance offenses, deaths and hospitalizations from controlled substance overdoses, and other societal impacts related to controlled substance use disorders;

(2) analyze the law enforcement response to controlled substance abuse in Minnesota and other jurisdictions;

(3) analyze the judicial system response to controlled substance abuse in Minnesota and other jurisdictions, including a review of treatment courts and diversion programs;

(4) analyze the prosecutorial response to controlled substance abuse in Minnesota and other jurisdictions, including charging decisions, plea bargains, and the use of pretrial and precharge diversion programs;

(5) analyze the correctional response to controlled substance abuse in Minnesota and other jurisdictions, including the use of mandatory drug testing, required participation in substance abuse treatment programs as a condition of probation, the effectiveness of substance abuse treatment programs offered to incarcerated individuals, and the effectiveness of the challenge incarceration program;

(6) analyze the human services and health response to controlled substance abuse in Minnesota and other jurisdictions, including the effectiveness of prevention programs, availability of inpatient and outpatient treatment programs, funding for participation in those programs, and the outcomes for participants in those programs;

(7) receive input from members of communities that have been affected by criminal activity and other social costs associated with controlled substance abuse;

(8) receive input from members of communities that have been affected by the criminalization of controlled substance abuse; and

(9) make recommendations for coordination of services, adoption of prevention models, expansion of effective treatment services, levels of funding, statutory changes, and other community and legislative action to address controlled substance abuse in Minnesota.

(b) At its discretion, the task force may examine other related issues consistent with this section.

Subd. 5. **Reports.** (a) The task force shall submit annual reports to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy, human services finance and policy, health finance and policy, and judiciary finance and policy.

(b) The task force shall submit a preliminary report on or before March 1, 2023.

(c) The task force shall submit a supplemental report on or before February 1, 2024.

(d) The task force shall submit a final report on or before January 15, 2025.

Subd. 6. **Expiration.** The task force expires the day after submitting its final report under subdivision 5.

ARTICLE 5
CORRECTIONS AND SENTENCING

Section 1. Minnesota Statutes 2020, section 13.871, subdivision 14, is amended to read:

Subd. 14. **Expungement ~~petitions~~.** (a) Provisions regarding the classification and sharing of data contained in a petition for expungement of a criminal record are included in section 609A.03.

(b) Provisions regarding the classification and sharing of data related to automatic expungements are included in sections 299C.097 and 609A.015.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 2. Minnesota Statutes 2020, section 152.18, subdivision 1, is amended to read:

Subdivision 1. **Deferring prosecution for certain first time drug offenders.** (a) A court may defer prosecution as provided in paragraph (c) for any person found guilty, after trial or upon a plea of guilty, of a violation of section 152.023, subdivision 2, 152.024, subdivision 2, 152.025, subdivision 2, or 152.027, subdivision 2, 3, 4, or 6, paragraph (d), for possession of a controlled substance, who:

(1) has not previously participated in or completed a diversion program authorized under section 401.065;

(2) has not previously been placed on probation without a judgment of guilty and thereafter been discharged from probation under this section; and

(3) has not been convicted of a felony violation of this chapter, including a felony-level attempt or conspiracy, or been convicted by the United States or another state of a similar offense that would have been a felony under this chapter if committed in Minnesota, unless ten years have elapsed since discharge from sentence.

(b) The court must defer prosecution as provided in paragraph (c) for any person found guilty of a violation of section 152.025, subdivision 2, who:

(1) meets the criteria listed in paragraph (a), clauses (1) to (3); and

(2) has not previously been convicted of a felony offense under any state or federal law or of a gross misdemeanor under section 152.025.

(c) In granting relief under this section, the court shall, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum sentence provided for the violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against the person and discharge the person from probation before the expiration of the maximum period prescribed for the person's probation. If during the period of probation the person does not violate any of the conditions of the probation, then upon expiration of the period the court shall discharge the person and dismiss the proceedings against that person. Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of it shall be retained by the Bureau of Criminal Apprehension for the purpose of use by the courts in determining the merits of subsequent proceedings against the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon receipt of notice that the proceedings were dismissed, the Bureau of Criminal Apprehension shall notify the arresting or citing law enforcement agency and direct that agency to seal its records related to the charge. Upon request by law enforcement, prosecution, or corrections authorities, the bureau shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal under this subdivision to the bureau which shall make and maintain the not public record of it as provided under this subdivision. The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 3. Minnesota Statutes 2020, section 241.021, subdivision 2a, is amended to read:

Subd. 2a. **Affected municipality; notice.** The commissioner must not ~~issue~~ grant a license without giving 30 calendar days' written notice to any affected municipality or other political subdivision unless the facility has a licensed capacity of six or fewer persons and is occupied by either the licensee or the group foster home parents. The notification must be given before the license is first ~~issuance of a license~~ granted and annually after that time if annual notification is requested in writing by any affected municipality or other political subdivision. State funds must not be made available to or be spent by an agency or department of state, county, or municipal government for payment to a foster care facility licensed under subdivision 2 until the provisions of this subdivision have been complied with in full.

Sec. 4. Minnesota Statutes 2020, section 241.021, subdivision 2b, is amended to read:

Subd. 2b. **Licensing; facilities; juveniles from outside state.** The commissioner may not:

(1) ~~issue~~ grant a license under this section to operate a correctional facility for the detention or confinement of juvenile offenders if the facility accepts juveniles who reside outside of Minnesota without an agreement with the entity placing the juvenile at the facility that obligates the entity to pay the educational expenses of the juvenile; or

(2) renew a license under this section to operate a correctional facility for the detention or confinement of juvenile offenders if the facility accepts juveniles who reside outside of Minnesota without an agreement with the entity placing the juvenile at the facility that obligates the entity to pay the educational expenses of the juvenile.

Sec. 5. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 2c. **Searches.** The commissioner shall not grant a license to any county, municipality, or agency to operate a facility for the detention, care, and training of delinquent children and youth unless the county, municipality, or agency institutes a policy strictly prohibiting the visual inspection of breasts, buttocks, or genitalia of children and youth received by the facility except during a health care procedure conducted by a medically licensed person.

Sec. 6. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 2d. **Disciplinary room time.** The commissioner shall not grant a license to any county, municipality, or agency to operate a facility for the detention, care, and training of delinquent children and youth unless the county, municipality, or agency institutes a policy strictly prohibiting the use of disciplinary room time for children and youth received by the facility.

Sec. 7. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 4e. **Language access.** The commissioner of corrections shall take reasonable steps to provide meaningful access to limited English proficient (LEP) individuals incarcerated, detained, or supervised by the Department of Corrections. The commissioner shall develop written policy and annual training to implement language access for LEP individuals.

Sec. 8. Minnesota Statutes 2020, section 241.90, is amended to read:

241.90 OFFICE OF OMBUDSPERSON; CREATION; QUALIFICATIONS; FUNCTION.

The Office of Ombudsperson for the Department of Corrections is hereby created. The ombudsperson shall ~~serve at the pleasure of~~ be appointed by the governor in the unclassified service~~,~~ and may be removed only for just cause. The ombudsperson shall be selected without regard to political affiliation, and shall be a person highly competent and qualified to analyze questions of law, administration, and public policy. No person may serve as ombudsperson while holding any other public office. The ombudsperson for corrections shall be accountable to the governor and shall have the authority to investigate decisions, acts, and other matters of the Department of Corrections so as to promote the highest attainable standards of competence, efficiency, and justice in the administration of corrections.

Sec. 9. Minnesota Statutes 2020, section 242.192, is amended to read:

242.192 CHARGES TO COUNTIES.

(a) The commissioner shall charge counties or other appropriate jurisdictions ~~65 percent of~~ the per diem cost of confinement, excluding educational costs and nonbillable service, of juveniles at the Minnesota Correctional Facility-Red Wing and of juvenile females committed to the commissioner of corrections. This charge applies to juveniles committed to the commissioner of corrections and juveniles admitted to the Minnesota Correctional Facility-Red Wing under established admissions criteria. This charge applies to both counties that participate in the Community Corrections Act and those that do not. The commissioner shall determine the per diem cost of confinement based on projected population, pricing incentives, and market conditions. ~~All money received under this section must be deposited in the state treasury and credited to the general fund.~~

(b) The first 65 percent of all money received under paragraph (a) must be deposited in the state treasury and credited to the general fund. The next 35 percent of all money received under paragraph (a) must be credited to the prevention services account, which is hereby established in the special revenue fund. Interest earned in the account accrues to the account. Funds in the prevention services account are annually appropriated to the commissioner of public safety to provide grants for prevention services and dual status youth programs. Recipients must use funds to prevent juveniles from entering the criminal or juvenile justice system or provide services for youth who are in both the child welfare and juvenile justice systems.

Sec. 10. **[244.049] INDETERMINATE SENTENCE RELEASE BOARD.**

Subdivision 1. **Establishment; membership.** (a) The Indeterminate Sentence Release Board is established to review eligible cases and make release decisions for inmates serving indeterminate sentences under the authority of the commissioner.

(b) The board shall consist of five members as follows:

(1) four persons appointed by the governor from two recommendations of each of the majority leaders and minority leaders of the house of representatives and the senate; and

(2) the commissioner of corrections who shall serve as chair.

(c) The members appointed from the legislative recommendations must meet the following qualifications at a minimum:

(1) a bachelor's degree in criminology, corrections, or a related social science, or a law degree;

(2) five years of experience in corrections, a criminal justice or community corrections field, rehabilitation programming, behavioral health, or criminal law; and

(3) demonstrated knowledge of victim issues and correctional processes.

Subd. 2. **Terms; compensation.** (a) Members of the board shall serve four-year staggered terms except that the terms of the initial members of the board must be as follows:

(1) two members must be appointed for terms that expire January 1, 2024; and

(2) two members must be appointed for terms that expire January 1, 2026.

(b) A member is eligible for reappointment.

(c) Vacancies on the board shall be filled in the same manner as the initial appointments under subdivision 1.

(d) Member compensation and removal of members on the board shall be as provided in section 15.0575.

Subd. 3. **Quorum; administrative duties.** (a) The majority of members constitutes a quorum.

(b) The commissioner of corrections shall provide the board with personnel, supplies, equipment, office space, and other administrative services necessary and incident to the discharge of the functions of the board.

Subd. 4. **Limitation.** Nothing in this section supersedes the commissioner's authority to revoke an inmate's release for a violation of the inmate's terms of release or impairs the power of the Board of Pardons to grant a pardon or commutation in any case.

Subd. 5. **Report.** On or before February 15 each year, the board shall submit to the legislative committees with jurisdiction over criminal justice policy a written report detailing the number of inmates reviewed and identifying persons granted release in the preceding year. The report shall also include the board's recommendations for policy modifications that influence the board's duties.

Sec. 11. Minnesota Statutes 2020, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life sentence.** (a) The ~~commissioner of corrections~~ board may, under rules ~~promulgated~~ adopted by the commissioner and upon majority vote of the board members, give supervised release to an inmate serving a mandatory life sentence under section 609.185, paragraph (a), clause (3), (5), or (6); 609.3455, subdivision 3 or 4; 609.385; or Minnesota Statutes 2004, section 609.109, subdivision 3, after the inmate has served the minimum term of imprisonment specified in subdivision 4.

(b) The ~~commissioner~~ board shall require the preparation of a community investigation report and shall consider the findings of the report when making a supervised release decision under this subdivision. The report shall reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. The report shall include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. The report shall also include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(c) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The ~~commissioner~~ board must consider the victim's statement when making the supervised release decision.

(d) When considering whether to give supervised release to an inmate serving a life sentence under section 609.3455, subdivision 3 or 4, the ~~commissioner~~ board shall consider, at a minimum, the following: the risk the inmate poses to the community if released, the inmate's progress in treatment, the inmate's behavior while incarcerated, psychological or other diagnostic evaluations of the inmate, the inmate's criminal history, and any other relevant conduct of the inmate while incarcerated or before incarceration. The ~~commissioner~~ board may not give supervised release to the inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment;

(ii) the inmate has been assessed for chemical dependency needs and, if appropriate, has successfully completed chemical dependency treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment. The comprehensive plan also must include a postprison employment or education plan for the inmate.

(e) As used in this subdivision~~,~~:

(1) "board" means the Indeterminate Sentence Release Board under section 244.049; and

(2) "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin.

Sec. 12. Minnesota Statutes 2020, section 244.09, subdivision 10, is amended to read:

Subd. 10. **Research director.** The commission may select and employ a research director who shall perform the duties the commission directs, including the hiring of any clerical help and other employees as the commission shall approve. The research director ~~and other staff~~ shall be in the unclassified service of the state ~~and their~~. The compensation of the research director and other staff shall be established pursuant to chapter 43A. They shall be reimbursed for the expenses necessarily incurred in the performance of their official duties in the same manner as other state employees.

Sec. 13. Minnesota Statutes 2020, section 260B.163, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) Except for hearings arising under section 260B.425, hearings on any matter shall be without a jury and may be conducted in an informal manner, except that a child who is prosecuted as an extended jurisdiction juvenile has the right to a jury trial on the issue of guilt. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, an extended jurisdiction juvenile, or a juvenile petty offender, and hearings conducted pursuant to section 260B.125 except to the extent that the rules themselves provide that they do not apply.

(b) When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260B.001 to 260B.421.

(c) Except as otherwise provided in this paragraph, the court shall exclude the general public from hearings under this chapter and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court. The court shall permit the victim of a child's delinquent act to attend any related delinquency proceeding, except that the court may exclude the victim:

(1) as a witness under the Rules of Criminal Procedure; and

(2) from portions of a certification hearing to discuss psychological material or other evidence that would not be accessible to the public.

The court shall open the hearings to the public in ~~delinquency or~~ extended jurisdiction juvenile proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the offense, except that the court may exclude the public from portions of a certification hearing to discuss psychological material or other evidence that would not be accessible to the public in an adult proceeding.

(d) In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the certification or adjudicatory hearings, and (2) the disposition of the case.

Sec. 14. Minnesota Statutes 2020, section 260B.176, is amended by adding a subdivision to read:

Subd. 1a. **Risk assessment instrument.** If a peace officer or probation or parole officer who took a child into custody does not release the child as provided in subdivision 1, the peace officer or probation or parole officer shall communicate with or deliver the child to a juvenile secure detention facility to determine whether the child should be released or detained. Before detaining a child, the supervisor of the facility shall use an objective and racially, ethnically, and gender-responsive juvenile detention risk assessment instrument developed by the commissioner of corrections, county, group of counties, or judicial district, in consultation with the state coordinator or coordinators of the Minnesota Juvenile Detention Alternatives Initiative. The risk assessment instrument must assess the

likelihood that a child released from preadjudication detention under this section or section 260B.178 would endanger others or not return for a court hearing. The instrument must identify the appropriate setting for a child who might endanger others or not return for a court hearing pending adjudication, with either continued detention or placement in a noncustodial community-based supervision setting. The instrument must also identify the type of noncustodial community-based supervision setting necessary to minimize the risk that a child who is released from custody will endanger others or not return for a court hearing. If, after using the instrument, a determination is made that the child should be released, the person taking the child into custody or the supervisor of the facility shall release the child as provided in subdivision 1.

EFFECTIVE DATE. This section is effective August 15, 2022.

Sec. 15. Minnesota Statutes 2020, section 260B.176, subdivision 2, is amended to read:

Subd. 2. **Reasons for detention.** (a) If the child is not released as provided in subdivision 1, the person taking the child into custody shall notify the court as soon as possible of the detention of the child and the reasons for detention.

(b) No child may be detained in a secure detention facility after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless the child is over the age of 12.

~~(b)~~ (c) No child may be detained in a juvenile secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays, and holidays, after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless a petition has been filed and the judge or referee determines pursuant to section 260B.178 that the child shall remain in detention.

~~(c)~~ (d) No child may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless:

(1) a petition has been filed under section 260B.141; and

(2) a judge or referee has determined under section 260B.178 that the child shall remain in detention.

After August 1, 1991, no child described in this paragraph may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, unless the requirements of this paragraph have been met and, in addition, a motion to refer the child for adult prosecution has been made under section 260B.125. Notwithstanding this paragraph, continued detention of a child in an adult detention facility outside of a standard metropolitan statistical area county is permissible if:

(i) the facility in which the child is detained is located where conditions of distance to be traveled or other ground transportation do not allow for court appearances within 24 hours. A delay not to exceed 48 hours may be made under this clause; or

(ii) the facility is located where conditions of safety exist. Time for an appearance may be delayed until 24 hours after the time that conditions allow for reasonably safe travel. "Conditions of safety" include adverse life-threatening weather conditions that do not allow for reasonably safe travel.

The continued detention of a child under clause (i) or (ii) must be reported to the commissioner of corrections.

~~(d)~~ (e) If a child described in paragraph ~~(c)~~ (d) is to be detained in a jail beyond 24 hours, excluding Saturdays, Sundays, and holidays, the judge or referee, in accordance with rules and procedures established by the commissioner of corrections, shall notify the commissioner of the place of the detention and the reasons therefor. The commissioner shall thereupon assist the court in the relocation of the child in an appropriate juvenile secure detention facility or approved jail within the county or elsewhere in the state, or in determining suitable alternatives. The commissioner shall direct that a child detained in a jail be detained after eight days from and including the date of the original detention order in an approved juvenile secure detention facility with the approval of the administrative authority of the facility. If the court refers the matter to the prosecuting authority pursuant to section 260B.125, notice to the commissioner shall not be required.

~~(e)~~ (f) When a child is detained for an alleged delinquent act in a state licensed juvenile facility or program, or when a child is detained in an adult jail or municipal lockup as provided in paragraph ~~(c)~~ (d), the supervisor of the facility shall, if the child's parent or legal guardian consents, have a children's mental health screening conducted with a screening instrument approved by the commissioner of human services, unless a screening has been performed within the previous 180 days or the child is currently under the care of a mental health professional. The screening shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. The screening shall be conducted after the initial detention hearing has been held and the court has ordered the child continued in detention. The results of the screening may only be presented to the court at the dispositional phase of the court proceedings on the matter unless the parent or legal guardian consents to presentation at a different time. If the screening indicates a need for assessment, the local social services agency or probation officer, with the approval of the child's parent or legal guardian, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871.

Sec. 16. Minnesota Statutes 2020, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 260E.03, subdivision 18 or 20, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or advanced practice registered nurse's reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or advanced practice registered nurse's reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) is a sexually exploited youth;

(12) has committed a delinquent act or a juvenile petty offense before becoming ~~ten~~ 13 years old;

(13) is a runaway;

(14) is a habitual truant;

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; or

(16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child.

Sec. 17. **[299C.097] DATABASE FOR IDENTIFYING INDIVIDUALS ELIGIBLE FOR EXPUNGEMENT.**

(a) The superintendent of the Bureau of Criminal Apprehension shall maintain a computerized data system relating to petty misdemeanor and misdemeanor offenses that may become eligible for expungement pursuant to section 609A.015, do not require fingerprinting pursuant to section 299C.10, and are not linked to an arrest record in the criminal history system.

(b) This data is private data on individuals under section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 18. Minnesota Statutes 2020, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. **Required fingerprinting.** (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken immediately finger and thumb prints, photographs, distinctive physical mark identification data, information on any known aliases or street names, and other identification data requested or required by the superintendent of the bureau, of the following:

(1) persons arrested for, appearing in court on a charge of, or convicted of a felony, gross misdemeanor, or targeted misdemeanor;

(2) juveniles arrested for, appearing in court on a charge of, adjudicated delinquent for, or alleged to have committed felonies or gross misdemeanors as distinguished from those committed by adult offenders;

(3) adults and juveniles admitted to jails or detention facilities;

(4) persons reasonably believed by the arresting officer to be fugitives from justice;

(5) persons in whose possession, when arrested, are found concealed firearms or other dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes;

(6) juveniles referred by a law enforcement agency to a diversion program for a felony or gross misdemeanor offense; and

(7) persons currently involved in the criminal justice process, on probation, on parole, or in custody for any offense whom the superintendent of the bureau identifies as being the subject of a court disposition record which cannot be linked to an arrest record, and whose fingerprints are necessary to reduce the number of suspense files, or to comply with the mandates of section 299C.111, relating to the reduction of the number of suspense files. This duty to obtain fingerprints for the offenses in suspense at the request of the bureau shall include the requirement that fingerprints be taken in post-arrest interviews, while making court appearances, while in custody, or while on any form of probation, diversion, or supervised release.

(b) Unless the superintendent of the bureau requires a shorter period, within 24 hours of taking the fingerprints and data, the fingerprint records and other identification data specified under paragraph (a) must be electronically entered into a bureau-managed searchable database in a manner as may be prescribed by the superintendent.

(c) Prosecutors, courts, and probation officers and their agents, employees, and subordinates shall attempt to ensure that the required identification data is taken on a person described in paragraph (a). Law enforcement may take fingerprints of an individual who is presently on probation.

(d) Finger and thumb prints must be obtained no later than:

(1) release from booking; or

(2) if not booked prior to acceptance of a plea of guilty or not guilty.

Prior to acceptance of a plea of guilty or not guilty, an individual's finger and thumb prints must be submitted to the Bureau of Criminal Apprehension for the offense. If finger and thumb prints have not been successfully received by the bureau, an individual may, upon order of the court, be taken into custody for no more than eight hours so that the taking of prints can be completed. Upon notice and motion of the prosecuting attorney, this time period may be extended upon a showing that additional time in custody is essential for the successful taking of prints.

(e) For purposes of this section, a targeted misdemeanor is a misdemeanor violation of section 169A.20 (driving while impaired), 518B.01 (order for protection violation), 609.224 (fifth-degree assault), 609.2242 (domestic assault), 609.746 (interference with privacy), 609.748 (harassment or restraining order violation), 609.749 (obscene or harassing telephone calls), 617.23 (indecent exposure), or 629.75 (domestic abuse no contact order).

EFFECTIVE DATE. This section is effective August 15, 2022, and applies to individuals arrested, appearing in court, or convicted on or after that date.

Sec. 19. Minnesota Statutes 2020, section 299C.111, is amended to read:

299C.111 SUSPENSE FILE REPORTING.

The superintendent shall immediately notify the appropriate entity or individual when a disposition record for a felony, gross misdemeanor, or targeted misdemeanor is received that cannot be linked to an arrest record.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 20. Minnesota Statutes 2020, section 299C.17, is amended to read:

299C.17 REPORT BY COURT ADMINISTRATOR.

The superintendent shall require the court administrator of every court which sentences a defendant for a felony, gross misdemeanor, ~~or targeted~~ misdemeanor, or petty misdemeanor to electronically transmit within 24 hours of the disposition of the case a report, in a form prescribed by the superintendent providing information required by the superintendent with regard to the prosecution and disposition of criminal cases. A copy of the report shall be kept on file in the office of the court administrator.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 21. Minnesota Statutes 2020, section 609.05, is amended by adding a subdivision to read:

Subd. 2a. **Exception.** (a) A person may not be held criminally liable for a violation of section 609.185, paragraph (a), clause (3), committed by another person unless the person intentionally aided, advised, hired, counseled, or conspired with or otherwise procured the other person with the intent to cause the death of a human being.

(b) A person may not be held criminally liable for a violation of section 609.19, subdivision 2, clause (1), committed by another person unless the person was a major participant in the underlying felony and acted with extreme indifference to human life.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2020, section 609A.01, is amended to read:

609A.01 EXPUNGEMENT OF CRIMINAL RECORDS.

This chapter provides the grounds and procedures for expungement of criminal records under section 13.82; 152.18, subdivision 1; 299C.11, where expungement is automatic under section 609A.015, or a petition is authorized under section 609A.02, subdivision 3; or other applicable law. The remedy available is limited to a court order sealing the records and prohibiting the disclosure of their existence or their opening except under court order or statutory authority. Nothing in this chapter authorizes the destruction of records or their return to the subject of the records.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 23. **[609A.015] AUTOMATIC EXPUNGEMENT OF RECORDS.**

Subdivision 1. **Eligibility; dismissal; exoneration.** A person who is the subject of a criminal record or delinquency record is eligible for a grant of expungement relief without the filing of a petition:

(1) if the person was arrested and all charges were dismissed after a case was filed unless dismissal was based on a finding that the defendant was incompetent to proceed; or

(2) if all pending actions or proceedings were resolved in favor of the person.

For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the person. For purposes of this chapter, an action or proceeding is resolved in favor of the person if the petitioner received an order under section 590.11 determining that the person is eligible for compensation based on exoneration.

Subd. 2. **Eligibility; diversion and stay of adjudication.** A person is eligible for a grant of expungement relief if the person has successfully completed the terms of a diversion program or stay of adjudication for an offense that is not a felony or a gross misdemeanor violation of section 609.3451, subdivision 1a, and has not been petitioned or charged with a new offense, other than an offense that would be a petty misdemeanor, for one year immediately following completion of the diversion program or stay of adjudication.

Subd. 3. **Eligibility; certain criminal and delinquency proceedings.** (a) A person is eligible for a grant of expungement relief if the person:

(1) was adjudicated delinquent for, convicted of, or received a stayed sentence for a qualifying offense;

(2) has not been convicted of a new offense, other than an offense that would be a petty misdemeanor, in Minnesota during the applicable waiting period immediately following discharge of the disposition or sentence for the crime; and

(3) is not charged with an offense in Minnesota at the time the person reaches the end of the applicable waiting period.

(b) As used in this subdivision, "qualifying offense" means an adjudication, conviction, or stayed sentence for:

(1) any petty misdemeanor offense other than a violation of a traffic regulation relating to the operation or parking of motor vehicles;

(2) any misdemeanor offense other than:

(i) section 169A.20 under the terms described in section 169A.27 (fourth-degree driving while impaired);

(ii) section 518B.01, subdivision 14 (violation of an order for protection);

(iii) section 609.224 (assault in the fifth degree);

(iv) section 609.2242 (domestic assault);

(v) section 609.748 (violation of a harassment restraining order);

(vi) section 609.78 (interference with emergency call);

(vii) section 609.79 (obscene or harassing phone calls);

(viii) section 617.23 (indecent exposure);

(ix) section 609.746 (interference with privacy); or

(x) section 629.75 (violation of domestic abuse no contact order); or

(3) any gross misdemeanor offense other than:

(i) section 169A.25 (second-degree driving while impaired);

(ii) section 169A.26 (third-degree driving while impaired);

(iii) section 518B.01, subdivision 14 (violation of an order for protection);

(iv) section 609.2231 (assault in the fourth degree);

(v) section 609.224 (assault in the fifth degree);

(vi) section 609.2242 (domestic assault);

(vii) section 609.233 (criminal neglect);

(viii) section 609.3451 (criminal sexual conduct in the fifth degree);

(ix) section 609.377 (malicious punishment of child);

(x) section 609.485 (escape from custody);

(xi) section 609.498 (tampering with witness);

(xii) section 609.582, subdivision 4 (burglary in the fourth degree);

(xiii) section 609.746 (interference with privacy);

(xiv) section 609.748 (violation of a harassment restraining order);

(xv) section 609.749 (harassment; stalking);

(xvi) section 609.78 (interference with emergency call);

(xvii) section 617.23 (indecent exposure);

(xviii) section 617.261 (nonconsensual dissemination of private sexual images); or

(xix) section 629.75 (violation of domestic abuse no contact order).

(c) As used in this subdivision, "applicable waiting period" means:

(1) if the offense was a petty misdemeanor or a misdemeanor, two years; and

(2) if the offense was a gross misdemeanor, four years.

(d) Felony offenses deemed to be a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, remain ineligible for expungement under this section. Gross misdemeanor offenses ineligible for a grant of expungement under this section remain ineligible if deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2.

Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an automatic expungement under this section of that eligibility at any hearing where the court dismisses and discharges proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance; concludes that all pending actions or proceedings were resolved in favor of the person; grants a person's placement into a diversion program; or sentences a person or otherwise imposes a consequence for a qualifying offense.

(b) To the extent possible, prosecutors, defense counsel, supervising agents, and coordinators or supervisors of a diversion program shall notify a person who may become eligible for an automatic expungement under this section of that eligibility.

(c) If any party gives notification under this subdivision, the notification shall inform the person that:

(1) an expunged record of a conviction may be opened for purposes of a background study by the Department of Human Services under section 245C.08 and for purposes of a background check by the Professional Educator Licensing and Standards Board as required under section 122A.18, subdivision 8;

(2) an expunged record of conviction does not restore the right to ship, transport, possess, or receive a firearm, but the person may seek a relief of disability under United States Code, title 18, section 925, or restoration of the ability to possess firearms under section 609.165, subdivision 1d; and

(3) the person can file a petition pursuant to section 609A.03 to expunge the record and request that it be directed to the commissioner of human services and the Professional Educator Licensing and Standards Board.

Subd. 5. **Bureau of Criminal Apprehension to identify eligible persons and grant expungement relief.** (a) The Bureau of Criminal Apprehension shall identify adjudications and convictions that qualify for a grant of expungement relief pursuant to this subdivision or subdivision 1, 2, or 3.

(b) In making the determination under paragraph (a), the Bureau of Criminal Apprehension shall identify individuals who are the subject of relevant records through the use of fingerprints and thumbprints where fingerprints and thumbprints are available. Where fingerprints and thumbprints are not available, the Bureau of Criminal Apprehension shall identify individuals through the use of the person's name and date of birth. Records containing the same name and date of birth shall be presumed to refer to the same individual unless other evidence establishes, by a preponderance of the evidence, that they do not refer to the same individual. The Bureau of Criminal Apprehension is not required to review any other evidence in making its determination.

(c) The Bureau of Criminal Apprehension shall grant expungement relief to qualifying persons and seal the bureau's records without requiring an application, petition, or motion. Records shall be sealed 60 days after notice is sent to the judicial branch pursuant to paragraph (e) unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(d) Nonpublic criminal records maintained by the Bureau of Criminal Apprehension and subject to a grant of expungement relief shall display a notation stating "expungement relief granted pursuant to section 609A.015."

(e) The Bureau of Criminal Apprehension shall inform the judicial branch of all cases for which expungement relief was granted pursuant to this section. Notification may be through electronic means and may be made in real time or in the form of a monthly report. Upon receipt of notice, the judicial branch shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and shall issue any order deemed necessary to achieve this purpose.

(f) Unless an order issued under paragraph (e) notifies the law enforcement agency that made the arrest or issued the citation, the Bureau of Criminal Apprehension shall inform each arresting or citing law enforcement agency whose records are affected by the grant of expungement relief that expungement has been granted. Notification shall be made at the time and under the conditions described in paragraph (c), except that notice may be sent in real time or in the form of a monthly report sent no more than 30 days after the expiration of the deadline established in paragraph (c). Notification may be through electronic means. Each notified law enforcement agency shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted.

(g) Data on the person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (f), are private data on individuals as defined in section 13.02, subdivision 12.

(h) The prosecuting attorney shall notify the victim that an offense qualifies for automatic expungement under this section in the manner provided in section 611A.03, subdivisions 1 and 2.

(i) In any subsequent prosecution of a person granted expungement relief, the expunged criminal record may be pleaded and has the same effect as if the relief had not been granted.

(j) The Bureau of Criminal Apprehension is directed to develop, modify, or update a system to provide criminal justice agencies with uniform statewide access to criminal records sealed by expungement.

(k) A grant of expungement under this section does not entitle a person to ship, transport, possess, or receive a firearm. A person whose conviction is expunged under this section may seek a relief of disability under United States Code, title 18, section 925, or restoration of the ability to possess firearms under section 609.165, subdivision 1d.

Subd. 6. **Immunity from civil liability.** Employees of the Bureau of Criminal Apprehension shall not be held civilly liable for the exercise or the failure to exercise, or the decision to exercise or the decision to decline to exercise, the powers granted by this section or for any act or omission occurring within the scope of the performance of their duties under this section.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to offenses that meet the eligibility criteria on or after that date and retroactively to offenses that met those qualifications before January 1, 2024, and are stored in the Bureau of Criminal Apprehension's criminal history system as of January 1, 2024.

Sec. 24. Minnesota Statutes 2020, section 609A.03, subdivision 5, is amended to read:

Subd. 5. **Nature of remedy; standard.** (a) Except as otherwise provided by paragraph (b), expungement of a criminal record under this section is an extraordinary remedy to be granted only upon clear and convincing evidence that it would yield a benefit to the petitioner commensurate with the disadvantages to the public and public safety of:

(1) sealing the record; and

(2) burdening the court and public authorities to issue, enforce, and monitor an expungement order.

(b) Except as otherwise provided by this paragraph, if the petitioner is petitioning for the sealing of a criminal record under section 609A.02, subdivision 3, paragraph (a), clause (1) or (2), the court shall grant the petition to seal the record unless the agency or jurisdiction whose records would be affected establishes by clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the petitioner of not sealing the record.

(c) In making a determination under this subdivision, the court shall consider:

(1) the nature and severity of the underlying crime, the record of which would be sealed;

(2) the risk, if any, the petitioner poses to individuals or society;

(3) the length of time since the crime occurred;

(4) the steps taken by the petitioner toward rehabilitation following the crime;

(5) aggravating or mitigating factors relating to the underlying crime, including the petitioner's level of participation and context and circumstances of the underlying crime;

(6) the reasons for the expungement, including the petitioner's attempts to obtain employment, housing, or other necessities;

(7) the petitioner's criminal record;

(8) the petitioner's record of employment and community involvement;

(9) the recommendations of interested law enforcement, prosecutorial, and corrections officials;

(10) the recommendations of victims or whether victims of the underlying crime were minors;

(11) the amount, if any, of restitution outstanding, past efforts made by the petitioner toward payment, and the measures in place to help ensure completion of restitution payment after expungement of the record if granted; and

(12) other factors deemed relevant by the court.

(d) Notwithstanding section 13.82, 13.87, or any other law to the contrary, if the court issues an expungement order it may require that the criminal record be sealed, the existence of the record not be revealed, and the record not be opened except as required under subdivision 7. Records must not be destroyed or returned to the subject of the record.

(e) Information relating to a criminal history record of an employee, former employee, or tenant that has been expunged before the occurrence of the act giving rise to the civil action may not be introduced as evidence in a civil action against a private employer or landlord or its employees or agents that is based on the conduct of the employee, former employee, or tenant.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 25. Minnesota Statutes 2021 Supplement, section 609A.03, subdivision 7a, is amended to read:

Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105 shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) except as provided in clause (2), an expunged record may be opened, used, or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;

(2) when a criminal justice agency seeks access to a record that was sealed under section 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing for lack of probable cause, for purposes of a criminal investigation, prosecution, or sentencing, the requesting agency must obtain an ex parte court order after stating a good-faith basis to believe that opening the record may lead to relevant information;

(3) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order;

(4) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the commissioner had been properly served with notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner of human services;

(5) an expunged record of a conviction may be opened for purposes of a background check required under section 122A.18, subdivision 8, unless the court order for expungement is directed specifically to the Professional Educator Licensing and Standards Board; ~~and~~

(6) the court may order an expunged record opened upon request by the victim of the underlying offense if the court determines that the record is substantially related to a matter for which the victim is before the court~~.~~;

(7) a prosecutor may request and the district court shall provide certified records of conviction for a record expunged pursuant to sections 609A.015, 609A.02, and 609A.025, and the certified records of conviction may be disclosed and introduced in criminal court proceedings as provided by the rules of court and applicable law; and

(8) the subject of an expunged record may request and the court shall provide certified or uncertified records of conviction for a record expunged pursuant to sections 609A.015, 609A.02, and 609A.025.

(c) An agency or jurisdiction subject to an expungement order shall maintain the record in a manner that provides access to the record by a criminal justice agency under paragraph (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau of Criminal Apprehension shall notify the commissioner of human services or the Professional Educator Licensing and Standards Board of the existence of a sealed record and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to the expungement order shall provide access to the record to the commissioner of human services or the Professional Educator Licensing and Standards Board under paragraph (b), clause (4) or (5).

(d) An expunged record that is opened or exchanged under this subdivision remains subject to the expungement order in the hands of the person receiving the record.

(e) A criminal justice agency that receives an expunged record under paragraph (b), clause (1) or (2), must maintain and store the record in a manner that restricts the use of the record to the investigation, prosecution, or sentencing for which it was obtained.

(f) For purposes of this section, a "criminal justice agency" means a court or government agency that performs the administration of criminal justice under statutory authority.

(g) This subdivision applies to expungement orders subject to its limitations and effective on or after January 1, 2015, and grants of expungement relief issued on or after January 1, 2024.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 26. Minnesota Statutes 2020, section 609A.03, subdivision 9, is amended to read:

Subd. 9. **Stay of order; appeal.** An expungement order issued under this section shall be stayed automatically for 60 days after the order is filed and, if the order is appealed, during the appeal period. A person or an agency or jurisdiction whose records would be affected by the order may appeal the order within 60 days of service of notice of filing of the order. An agency or jurisdiction or its officials or employees need not file a cost bond or supersedeas bond in order to further stay the proceedings or file an appeal.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 27. Minnesota Statutes 2020, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. **Plea agreements; notification of victim.** Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(1) the contents of the plea agreement recommendation, including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement; ~~and~~

(2) the right to be present at the sentencing hearing and at the hearing during which the plea is presented to the court and to express orally or in writing, at the victim's option, any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court~~.~~; and

(3) the eligibility of the offense for automatic expungement pursuant to section 609A.015.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to plea agreements entered into on or after that date.

Sec. 28. Minnesota Statutes 2020, section 638.01, is amended to read:

638.01 BOARD OF PARDONS~~; HOW CONSTITUTED; POWERS~~.

The Board of Pardons shall consist of the governor, the chief justice of the supreme court, and the attorney general. The governor, in conjunction with the board, may grant pardons ~~and reprieves~~ and commute the sentence of any person convicted of any offense ~~against~~ under the laws of ~~the~~ this state, in the manner and under the conditions ~~and rules hereinafter~~ prescribed~~, but not otherwise~~ in this chapter. A majority vote of the board is required for pardons and commutations with the governor in that majority.

Sec. 29. **[638.09] CLEMENCY REVIEW COMMISSION.**

(a) Notwithstanding the provisions of chapter 15, the Clemency Review Commission is established to review applications for pardons or commutations before they are considered by the Board of Pardons. By majority vote, the commission shall make a recommendation on each eligible application as to whether it should be granted or denied. The commission shall provide its recommendations to the board with the vote of each commission member reported in writing.

(b) The commission shall consist of nine members, each serving a four-year term. The governor, the attorney general, and the chief justice of the supreme court shall each appoint three members and replace members upon expiration of the members' terms. In the event of a vacancy, the board member who selected the previous incumbent shall make an interim appointment to expire at the end of the prior incumbent's four-year term. A person may serve no more than two terms on the commission, excluding interim appointments.

(c) The commission shall biennially elect one of its members as chair and one as vice-chair. The chair of the commission shall serve as secretary of the board.

(d) Each member of the commission shall be compensated at the rate of $55 for each day or part thereof spent on commission activities. Each member shall be reimbursed for all reasonable expenses actually paid or incurred by that member in the performance of official duties.

(e) The commission may obtain office space and supplies and hire administrative staff to carry out the commission's official functions.

(f) At least six members of the commission shall constitute a quorum for official administrative business.

Sec. 30. **[638.10] PARDONS AND COMMUTATIONS.**

Subdivision 1. **Pardons and commutations.** (a) The Board of Pardons may pardon a criminal conviction imposed under the laws of this state or commute a criminal sentence imposed by a court of this state to time served or a lesser sentence. Every pardon or commutation shall be in writing and shall have no force or effect unless granted by a majority vote of the board with the governor in that majority. Every conditional pardon shall state the terms and conditions upon which it was granted and every commutation shall specify the terms of the commuted sentence.

(b) When granted, a pardon has the effect of setting aside the conviction and purging the conviction from the person's record. The person then is not required to disclose the conviction at any time or place other than in a judicial proceeding or as part of the licensing process for peace officers.

Subd. 2. **Eligibility for a pardon.** (a) Any person convicted of a crime in any court of this state may apply for a pardon of the person's conviction on or after five years from the date of the expiration of the person's sentence or the date of the person's discharge. Upon a showing of unusual circumstances and special need, the board may waive the required waiting period by a majority vote with the governor in that majority.

(b) The Clemency Review Commission shall review all requests for a waiver of the waiting period and make recommendations by majority vote to the board. Consideration of requests to waive the waiting period are exempt from the meeting requirements of this chapter.

Subd. 3. **Eligibility for a commutation.** (a) Any person may apply for a commutation of an unexpired criminal sentence imposed by a court of this state, including those confined in a correctional facility or on probation, parole, supervised release, or conditional release. An application for commutation may not be filed until the date that the person has served at least one-half of the sentence imposed or on or after five years from the date of the conviction, whichever is less. Upon a showing of unusual circumstances and special need, the board may waive the required waiting period by a majority vote with the governor in that majority.

(b) The commission shall review all requests for a waiver of the waiting period and make recommendations by majority vote to the board. Consideration of requests to waive the waiting period are exempt from the meeting requirements of this chapter.

Subd. 4. **Filing of a pardon or commutation.** After granting a pardon or commutation, the board shall file a copy of the pardon or commutation with the district court of the county in which the conviction and sentence were imposed. In the case of a pardon, the court shall order the conviction set aside, include a copy of the pardon in the court file, and send copies of the order and the pardon to the Bureau of Criminal Apprehension. In the case of a commutation, the court shall amend the sentence to reflect the specific relief granted by the board, include a copy of the commutation in the court file, and send copies of the amended sentencing order and commutation to the commissioner of corrections and the Bureau of Criminal Apprehension.

Subd. 5. **Reapplication.** (a) Once an application for a pardon or commutation has been considered and denied on the merits, no subsequent application may be filed for five years after the date of the most recent denial unless permission is granted from at least two board members. A person may request permission to reapply prior to the expiration of the five-year period based only on new and substantial information that was not and could not have been previously considered by the board or the commission. If a request to reapply contains new and substantial information, the commission shall review the request and make a recommendation by majority vote to the board. Consideration of requests to reapply are exempt from the meeting requirements under this chapter.

(b) The denial or grant of an application for a commutation of sentence does not preclude a person from later seeking a pardon of the criminal conviction once the eligibility requirements of subdivision 2 have been satisfied.

Sec. 31. **[638.11] APPLICATIONS.**

(a) Each application for a pardon or commutation shall be in writing, signed under oath by the applicant, and contain a brief statement of the relief sought and the reasons why it should be granted. The application shall also contain the following information and any additional information that the commission or board requires:

(1) the applicant's name, address, date of birth, place of birth, and every alias by which the applicant is or has been known;

(2) the name of the offense for which relief is requested, the date and county of conviction, the sentence imposed, and the expiration or discharge date of the sentence;

(3) the names of the sentencing judge, prosecuting attorney, and any victims of the offense;

(4) a brief description of the offense;

(5) the date and outcome of any prior applications for a pardon or commutation;

(6) a statement of other felony or gross misdemeanor convictions and any pending criminal charges or investigations; and

(7) a statement by the applicant consenting to the disclosure to the commission and the board of any private data concerning the applicant contained in the application or in any other record relating to the grounds on which the relief is sought, including conviction and arrest records.

(b) Applications shall be made on forms approved by the commission or the board and shall be filed with the commission by the deadlines set by the commission or the board. The commission shall review applications for completeness. Any application that is considered incomplete shall be returned to the applicant who may then provide the missing information and resubmit the application within a time period prescribed by the commission.

Sec. 32. **[638.12] NOTIFICATIONS.**

Subdivision 1. **Notice to victim.** After receiving an application for a pardon or commutation, the Clemency Review Commission shall make all reasonable efforts to locate any victim of the applicant's crime. At least 30 days before the date of the commission meeting at which the application shall be heard, the commission shall notify any located victim of the application, the time and place of the meeting, and the victim's right to attend the meeting and submit an oral or written statement to the commission.

Subd. 2. **Notice to sentencing judge and prosecuting attorney.** At least 30 days before the date of the commission meeting at which the application shall be heard, the commission shall notify the sentencing judge and prosecuting attorney or their successors of the application and solicit the judge's and attorney's views on whether clemency should be granted.

Subd. 3. **Notice to applicant.** Following its initial investigation of an application for a pardon or commutation, the commission shall notify the applicant of the scheduled date, time, and location that the applicant shall appear before the commission for consideration.

Sec. 33. **[638.13] MEETINGS.**

Subdivision 1. **Commission meetings.** (a) The Clemency Review Commission shall meet at least four times each year for one or more days each meeting to hear eligible applications of pardons or commutations and make recommendations to the board on each application. One or more of the meetings may be held at facilities operated by the Department of Corrections. All commission meetings shall be open to the public as provided in chapter 13D.

(b) Applicants for pardons or commutations must appear before the commission either in person or through any available form of telecommunication. The victim of an applicant's crime may appear and speak at the commission's meeting or submit a written statement to the commission. The commission may treat a victim's statement as confidential and not disclose the statement to the applicant or the public if there is or has been a recent order for protection, restraining order, or other no contact order prohibiting the applicant from contacting the victim. In addition, any law enforcement agency may appear and speak at the meeting or submit a written statement to the commission, giving the agency's recommendation on whether clemency should be granted or denied.

(c) The commission must consider any statement provided by a victim or law enforcement agency when making its recommendation on an application. Whenever possible, the commission shall record its meetings by audio or audiovisual means. Any recordings and statements from victims or law enforcement agencies shall be provided to the board along with the commission's recommendations.

(d) Not later than ten working days after the date of its decision, the commission shall notify the applicant in writing of its decision to recommend a grant or denial of clemency to the board.

Subd. 2. **Board meetings.** (a) The board shall meet at least two times each year to consider applications for pardons or commutations that have received a favorable recommendation from the commission and any other applications that have received further consideration from at least one board member. Whenever the commission recommends denial of an application and the board does not disapprove or take other action with respect to that recommendation, it shall be presumed that the board concurs with the adverse recommendation and that the application has been considered and denied on the merits. All board meetings shall be open to the public as provided in chapter 13D.

(b) Applicants, victims, and law enforcement agencies may not submit oral or written statements at a board meeting, unless the board requests additional testimony. The board shall consider any statements provided to the commission when making a decision on an application for a pardon or commutation.

(c) The commission shall notify the applicant in writing of the board's decision to grant or deny clemency not later than ten working days from the date of the board's decision.

Sec. 34. **[638.14] GROUNDS FOR RECOMMENDING CLEMENCY.**

Subdivision 1. **Factors.** When making recommendations on applications for pardons or commutations, the Clemency Review Commission shall consider any factors the commission deems appropriate, including but not limited to:

(1) the nature, seriousness, circumstances, and age of the applicant's offense;

(2) the successful completion or revocation of previous probation, parole, supervised release, or conditional release;

(3) the number, nature, and circumstances of the applicant's other criminal convictions;

(4) the extent to which the applicant has demonstrated rehabilitation through postconviction conduct, character, and reputation;

(5) the extent to which the applicant has accepted responsibility, demonstrated remorse, and made restitution to victims;

(6) whether the sentence is clearly excessive in light of the applicant's offense, criminal history, and any sentence received by an accomplice, with due regard given to any plea agreement, the sentencing judge's views, and the sentencing ranges established by law;

(7) whether the applicant's age or medical status indicates that it is in the best interest of society that the applicant receive clemency;

(8) recommendations from victims, sentencing judges, and prosecuting attorneys;

(9) the applicant's asserted need for a pardon or commutation, including family needs and barriers to housing or employment created by the conviction; and

(10) the amount of time already served by the applicant and the availability of other forms of judicial or administrative relief.

Subd. 2. **Denial recommendation.** The commission may recommend denial without a hearing of an application for a commutation when the applicant is presently challenging the conviction or sentence through court proceedings, has failed to exhaust all available state court remedies for challenging the sentence, or the matter should first be considered by the parole authority.

Sec. 35. **[638.15] ACCESS TO RECORDS; ISSUANCE OF PROCESS.**

Subdivision 1. **Access to records.** Upon receipt of an application for a pardon or commutation, the Board of Pardons or Clemency Review Commission may request and obtain any relevant reports, data, and other information from a district court, law enforcement agency, or state agency. The commission and board shall have access to sealed court records, presentence investigation reports, police reports, criminal history reports, prison records, and any other relevant information. District courts, law enforcement agencies, and state agencies shall promptly respond to record requests from the commission and the board.

Subd. 2. **Legal process.** The commission and the board may issue process requiring the presence of any person before the commission or board and the production of papers, records, and exhibits in any pending matter. When any person is summoned before the commission or the board, the person may be allowed compensation for travel and attendance as the commission or the board may deem reasonable.

Sec. 36. **[638.16] RULES.**

The Board of Pardons and the Clemency Review Commission may adopt rules under chapter 14 for the effective enforcement of their powers and duties.

Sec. 37. **[638.17] RECORDS.**

The Clemency Review Commission shall keep a record of every application received, its recommendation on each application, and the final disposition of each application by the Board of Pardons. The records and files shall

be kept by the commission and shall be open to public inspection at all reasonable times, except for sealed court records, presentence investigation reports, Social Security numbers, financial account numbers, driver's license information, medical records, confidential Bureau of Criminal Apprehension records, and confidential victim statements as provided in section 638.12.

Sec. 38. **[638.18] REPORT TO LEGISLATURE.**

By February 15 of each year, the Clemency Review Commission shall submit a written report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety, corrections, and judiciary containing at a minimum the following information:

(1) the number of applications for pardons and commutations received by the commission during the preceding calendar year;

(2) the number of favorable and adverse recommendations made by the commission for each category;

(3) the number of applications granted and denied by the Board of Pardons for each category; and

(4) the crimes for which the applications were granted by the board, the year of each conviction, and the age of the offender at the time of the offense.

Sec. 39. Minnesota Statutes 2020, section 641.15, subdivision 2, is amended to read:

Subd. 2. **Medical aid.** Except as provided in section 466.101, the county board shall pay the costs of medical services provided to prisoners pursuant to this section. The amount paid by the county board for a medical service shall not exceed the maximum allowed medical assistance payment rate for the service, as determined by the commissioner of human services. In the absence of a health or medical insurance or health plan that has a contractual obligation with the provider or the prisoner, medical providers shall charge no higher than the rate negotiated between the county and the provider. In the absence of an agreement between the county and the provider, the provider may not charge an amount that exceeds the maximum allowed medical assistance payment rate for the service, as determined by the commissioner of human services. The county is entitled to reimbursement from the prisoner for payment of medical bills to the extent that the prisoner to whom the medical aid was provided has the ability to pay the bills. The prisoner shall, at a minimum, incur co-payment obligations for health care services provided by a county correctional facility. The county board shall determine the co-payment amount. Notwithstanding any law to the contrary, the co-payment shall be deducted from any of the prisoner's funds held by the county, to the extent possible. If there is a disagreement between the county and a prisoner concerning the prisoner's ability to pay, the court with jurisdiction over the defendant shall determine the extent, if any, of the prisoner's ability to pay for the medical services. If a prisoner is covered by health or medical insurance or other health plan when medical services are provided, the medical provider shall bill that health or medical insurance or other plan. If the county providing the medical services for a prisoner that has coverage under health or medical insurance or other plan, that county has a right of subrogation to be reimbursed by the insurance carrier for all sums spent by it for medical services to the prisoner that are covered by the policy of insurance or health plan, in accordance with the benefits, limitations, exclusions, provider restrictions, and other provisions of the policy or health plan. The county may maintain an action to enforce this subrogation right. The county does not have a right of subrogation against the medical assistance program. The county shall not charge prisoners for phone calls to MNsure navigators, the Minnesota Warmline, or a current mental health provider or calls for the purpose of providing case management or mental health services as defined in section 245.462 to prisoners.

Sec. 40. **TASK FORCE ON THE COLLECTION OF CHARGING AND RELATED DATA.**

Subdivision 1. **Establishment.** The Task Force on the Collection of Charging and Related Data is established to identify data that should be collected and analyzed to determine the ways in which individuals are charged and prosecuted in Minnesota.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) the attorney general or a designee;

(2) the chief justice of the supreme court or a designee;

(3) the commissioner of corrections or a designee;

(4) the state public defender or a designee;

(5) the executive director of the Minnesota Sentencing Guidelines Commission;

(6) one private criminal defense attorney appointed by the governor;

(7) one probation, supervised release, or parole officer appointed by the governor;

(8) one county attorney from within the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, appointed by the board of directors of the Minnesota County Attorneys Association;

(9) one county attorney from outside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, appointed by the board of directors of the Minnesota County Attorneys Association;

(10) one assistant county attorney appointed by the board of directors of the Minnesota County Attorneys Association;

(11) one city attorney appointed by the governor;

(12) one peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), appointed by the governor; and

(13) three public members appointed by the governor, one of whom shall be a victim of a crime defined as a felony.

(b) Members of the task force serve without compensation.

(c) 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. 3. **Officers; meetings.** (a) The task force shall elect a chair and vice-chair and may elect other officers as necessary.

(b) The executive director of the Minnesota Sentencing Guidelines Commission shall convene the first meeting of the task force no later than September 1, 2022.

(c) The task force shall meet at least quarterly or upon the call of its 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.

Subd. 4. **Staff.** The Minnesota Sentencing Guidelines Commission shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

Subd. 5. **Duties.** (a) The duties of the task force shall, at a minimum, include:

(1) determining what data are generated when prosecutors make decisions on initial criminal charges and amended criminal charges;

(2) assessing what factors prosecutorial offices use to make decisions about what criminal charges to bring, dismiss, or amend;

(3) assessing what factors prosecutorial offices use to recommend or support referring a defendant for pretrial services;

(4) determining what additional information should be collected to accurately track and inform decisions made by prosecutorial offices regarding bringing and amending criminal charges and offering pretrial diversion;

(5) determining what incident data is needed to increase consistency in charging decisions, how that data should be collected, and what components a uniform data collection process would contain;

(6) reviewing the current practices of data collection and storage by law enforcement agencies, what data should be collected and reported from law enforcement agencies, and whether data from law enforcement agencies should be consistent with data collected from prosecutorial offices;

(7) examining how data could be best collected and reported, including whether the data should be reported to a central location and, if so, what location;

(8) assessing whether data should be collected regarding the specific reason for dismissing cases, in cases where the highest charge is a gross misdemeanor or misdemeanor, and in cases involving delinquency petitions;

(9) estimating the costs associated with additional data collection and reporting, and making recommendations about appropriate funding levels to support that collection; and

(10) recommending methods of collecting and storing data that does not promote or reward filing charges in cases that do not meet the appropriate standards.

(b) At its discretion, the task force may examine other related issues consistent with this section.

Subd. 6. **Report.** By January 15, 2024, the task force shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy on the work of the task force. The report shall include recommendations for legislative action, if needed.

Subd. 7. **Expiration.** The task force expires upon submission of the report required by subdivision 6.

Sec. 41. **LIABILITY FOR MURDER COMMITTED BY ANOTHER; RETROACTIVE APPLICATION.**

Subdivision 1. **Purpose.** A person convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), committed by another and who is in the custody of the commissioner of corrections or under court supervision is entitled to petition to have the conviction vacated pursuant to this section. A person who is not in the custody of the commissioner of corrections or under court supervision may petition the Board of Pardons to grant a pardon extraordinary.

Subd. 2. **Notification.** (a) By December 1, 2022, the commissioner of corrections shall notify persons convicted for a violation of section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), of the right to file a preliminary application for relief if:

(1) the person was convicted for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), and did not actually cause the death of a human being or intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being; or

(2) the person was convicted for a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), and did not actually cause the death of a human being or was not a major participant in the underlying felony who acted with extreme indifference to human life.

(b) The notice shall include the address of Ramsey County District Court court administration.

(c) The commissioner of corrections may coordinate with the judicial branch to establish a standardized notification form.

Subd. 3. **Preliminary application.** (a) An applicant shall submit a preliminary application to the Ramsey County District Court. The preliminary application must contain:

(1) the applicant's name and, if different, the name under which the person was convicted;

(2) the applicant's date of birth;

(3) the district court case number of the case for which the person is seeking relief;

(4) a statement as to whether the applicant was convicted following a trial or pursuant to a plea;

(5) a statement as to whether the person filed a direct appeal from the conviction, a petition for postconviction relief, or both;

(6) a brief statement, not to exceed 3,000 words, explaining why the applicant is entitled to relief under this section from a conviction for the death of a human being caused by another; and

(7) the name and address of any attorney representing the applicant.

(b) The preliminary application may contain:

(1) the name, date of birth, and district court case number of any other person charged with, or convicted of, a crime arising from the same set of circumstances for which the applicant was convicted; and

(2) a copy of a criminal complaint or indictment, or the relevant portions of a presentence investigation or life imprisonment report, describing the facts of the case for which the applicant was convicted.

(c) The judicial branch may establish a standardized preliminary application form, but shall not reject a preliminary application for failure to use a standardized form.

(d) A person seeking relief under this section must submit a preliminary application no later than January 31, 2024. Submission is complete upon mailing.

(e) Submission of a preliminary application shall be without costs or any fees charged to the applicant.

Subd. 4. **Review of preliminary application.** (a) Upon receipt of a preliminary application, the court administrator of the Ramsey County District Court shall immediately direct attention of the filing to the chief judge or judge acting in the chief judge's behalf who shall promptly assign the matter to a judge in that district.

(b) The judicial branch may appoint a special master to review preliminary applications, and may assign additional staff as needed to assist in the review of preliminary applications.

(c) The reviewing judge shall determine whether, in the discretion of that judge, there is a reasonable probability that the applicant is entitled to relief under this section.

(d) In making the determination under paragraph (c), the reviewing judge shall consider the preliminary application and any materials submitted with the preliminary application, and may consider relevant records in the possession of the judicial branch.

(e) The court may summarily deny an application when the applicant is not in the custody of the commissioner of corrections or under court supervision; was not convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), before August 1, 2022; the only issues raised in the application are not relevant to the relief available under this section; or the applicant previously filed a petition for relief under this section and the petition was denied pursuant to subdivision 5.

(f) If the reviewing judge determines that there is a reasonable probability that the applicant is entitled to relief, the judge shall send notice to the applicant and the applicant's attorney, if any, and the prosecutorial office responsible for prosecuting the applicant. If the applicant is without counsel, the reviewing judge shall send notice to the state public defender and shall advise the applicant of the referral.

(g) If the reviewing judge determines that there is not a reasonable probability that the applicant is entitled to relief, the judge shall send notice to the applicant and the applicant's attorney, if any. The notice must contain a brief statement explaining the reasons the reviewing judge concluded that there is not a reasonable probability that the applicant is entitled to relief.

Subd. 5. **Petition for relief; hearing.** (a) Unless extended for good cause, within 60 days of receipt of the notice sent under subdivision 4, paragraph (f), the individual seeking relief shall file and serve a petition to vacate the conviction. The petition must be filed in the district court of the judicial district in the county where the conviction took place and must contain the information identified in subdivision 3, paragraph (a), and a statement of why the petitioner is entitled to relief under this section. The petition may contain any other relevant information, including police reports, trial transcripts, and plea transcripts involving the petitioner or any other person investigated for, charged with, or convicted of a crime arising out of the same set of circumstances for which the petitioner was convicted. The filing of the petition and any document subsequent to the filing and all following proceedings shall be without costs or fees charged to the petitioner.

(b) Upon receipt of the petition, the prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the underlying offense that a petition has been filed.

(c) A county attorney representing the prosecutorial office shall respond to the petition by answer or motion within 45 days after the filing of the petition pursuant to paragraph (a), unless extended for good cause. The response shall be filed with the court administrator of district court and served on the petitioner if unrepresented or on the petitioner's attorney. The response may serve notice of the intent to support the petition, or include a statement explaining why the petitioner is not entitled to relief along with any supporting documents. The filing of the response and any document subsequent to the filing and all following proceedings shall be without costs or fees charged to the county attorney.

(d) The petitioner may file a reply to the response filed by the county attorney within 15 days after the filing of the response, unless extended for good cause.

(e) Within 30 days of receipt of the reply from the petitioner or, if no reply is filed, within 30 days of receipt of the response from the county attorney, the court shall:

(1) issue an order pursuant to subdivision 6 and schedule the matter for sentencing or resentencing pursuant to subdivision 6, paragraph (e), if the county attorney indicates an intent to support the petition;

(2) issue an order denying the petition if additional information or submissions establish that there is not a reasonable probability that the applicant is entitled to relief under this section and a memorandum identifying the additional information or submissions and explaining the reasons why the court concluded that there is not a reasonable probability that the applicant is entitled to relief; or

(3) schedule the matter for a hearing and issue any appropriate order regarding submission of evidence or identification of witnesses.

(f) The hearing shall be held in open court and conducted pursuant to Minnesota Statutes, section 590.04, except that the petitioner must be present at the hearing, unless excused under Rules of Criminal Procedure, rule 26.03, subdivision 1, clause (3). The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing.

Subd. 6. **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:

(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. 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 either:

(1) resentence the petitioner for the most serious remaining offense for which the petitioner was convicted; or

(2) enter a conviction and impose a sentence for the most serious predicate felony arising out of the course of conduct that served as the factual basis for the conviction vacated by the court.

(d) 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.

(e) The court shall state in writing or on the record the reasons for its decision on the petition.

(f) 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 period of confinement or, if the petitioner was serving a stayed sentence, increase the period of supervision. A person resentenced under this paragraph is entitled to credit for time served in connection with the vacated offense.

(g) Relief granted under this section shall not be treated as an exoneration for purposes of the Incarceration and Exoneration Remedies Act.

(h) Appeals from an order of the court issued under this subdivision may be made pursuant to Minnesota Statutes, section 590.06.

Subd. 7. **Application for pardon.** (a) Notwithstanding Minnesota Statutes, section 638.02, subdivision 2, a person convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), committed by another and who is not in the custody of the commissioner of corrections or under court supervision may petition the Board of Pardons for the granting of a pardon extraordinary at any time after the sentence was discharged.

(b) A petition for a pardon extraordinary filed under this section must show the following:

(1) if the petitioner was convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), the petitioner:

(i) did not cause the death of a human being; and

(ii) 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; or

(2) if the petitioner was convicted of a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), the petitioner:

(i) did not cause the death of a human being; and

(ii) was not a major participant in the underlying felony or did not act with extreme indifference to human life.

(c) The Board of Pardons shall determine if a petitioner seeking relief under this section meets the requirements of paragraph (b). The Board of Pardons may consider any relevant evidence in making this determination.

(d) The petition for a pardon extraordinary filed under this section is otherwise subject to the requirements of Minnesota Statutes, chapter 638.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 42. **TASK FORCE ON AIDING AND ABETTING FELONY MURDER.**

(a) Laws 2021, First Special Session chapter 11, article 2, section 53, subdivisions 2, 3, 4, and 5, are revived and reenacted on the effective date of this section to expand the focus of the task force's duties and work beyond the intersection of felony murder and aiding and abetting liability for felony murder to more generally apply to the broader issues regarding the state's felony murder doctrine and aiding and abetting liability schemes discussed in "Task Force on Aiding and Abetting Felony Murder," Report to the Minnesota Legislature, dated February 1, 2022, "The Task Force's recommendations," number 4.

(b) On or before January 15, 2023, the task force shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over crime and sentencing on the findings and recommendations of the task force.

(c) The task force expires January 16, 2023, or the day after submitting its report under paragraph (b), whichever is earlier.

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

Sec. 43. **STAFF TRANSITION TO CLASSIFIED SERVICE.**

On and after the effective date of this section, all positions of employment with the Minnesota Sentencing Guidelines Commission in the unclassified service of the state, except for the research director, shall be placed in the classified service without loss of compensation or seniority. A person employed as of the effective date of this section in a position placed in the classified service under this section shall not be required to complete a probationary period if the employee was employed in the same position on January 1, 2022.

Sec. 44. **REPEALER.**

Minnesota Statutes 2020, sections 638.02; 638.03; 638.04; 638.05; 638.06; 638.07; 638.075; and 638.08, are repealed.

ARTICLE 6
INTERSTATE COMPACTS

Section 1. Minnesota Statutes 2020, section 243.1606, is amended to read:

243.1606 ADVISORY COUNCIL ON INTERSTATE ADULT OFFENDER SUPERVISION.

Subdivision 1. **Membership.** The Advisory Council on Interstate Adult Offender Supervision ~~consists~~ shall be combined with the State Advisory Council for the Interstate Compact for Juveniles established by section 260.515 and consist of the following individuals or their designees:

(1) the governor;

(2) the chief justice of the supreme court;

(3) two senators, one from the majority and the other from the minority party, selected by the Subcommittee on Committees of the senate Committee on Rules and Administration;

(4) two representatives, one from the majority and the other from the minority party, selected by the house speaker;

(5) the compact administrator, selected as provided in section 243.1607;

(6) a representative from the Department of Human Services regarding the Interstate Compact for the Placement of Children;

~~(6)~~ (7) the executive director of the Office of Justice Programs in the Department of Public Safety; ~~and~~

(8) the deputy compact administrator as defined in section 260.515;

(9) a representative from the State Public Defender's Office;

(10) a representative from the Minnesota County Attorneys Association;

(11) a representative from the Minnesota Sheriff's Association;

(12) a representative from the Minnesota Association of County Probation Officers;

(13) a representative from the Minnesota Association of Community Corrections Act Counties;

(14) a representative from the community at large;

(15) a representative from a community organization working with victims of crimes; and

~~(7)~~ (16) other members as appointed by the commissioner of corrections.

The council may elect a chair from among its members.

Subd. 2. **Duties.** The council shall oversee and administer the state's participation in ~~the compact~~ both compacts described in ~~section~~ sections 243.1605 and 260.515. The council shall appoint the compact administrator as the state's commissioner. In addition to these duties, the council shall develop a model policy concerning the operations and procedures of the compact within the state.

Subd. 3. **Annual report.** By March 1 of each year, the council shall report to the governor and the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice policy on its activities along with providing a copy of the annual report published by the national commission that includes the activities of the interstate commission and executive committee as described in section 243.1605 for the preceding year. The council's annual report must include information required of the State Advisory Council for the Interstate Compact for Juveniles under section 260.515, Article IV.

Subd. 4. **Expiration; expenses.** The provisions of section 15.059 apply to the council.

Sec. 2. Minnesota Statutes 2020, section 260.515, is amended to read:

260.515 INTERSTATE COMPACT FOR JUVENILES.

The Interstate Compact for Juveniles is enacted into law and entered into with all other states legally joining in it in substantially the following form:

ARTICLE I
PURPOSE

The compacting states to this Interstate Compact recognize that each state is responsible for the proper supervision or return of juveniles, delinquents, and status offenders who are on probation or parole and who have absconded, escaped, or run away from supervision and control and in so doing have endangered their own safety and the safety of others. The compacting states also recognize that each state is responsible for the safe return of juveniles who have run away from home and in doing so have left their state of residence. The compacting states also recognize that Congress, by enacting the Crime Control Act, United States Code, title 4, section 112 (1965), has authorized and encouraged compacts for cooperative efforts and mutual assistance in the prevention of crime.

It is the purpose of this compact, through means of joint and cooperative action among the compacting states to:

(A) ensure that the adjudicated juveniles and status offenders subject to this compact are provided adequate supervision and services in the receiving state as ordered by the adjudicating judge or parole authority in the sending state;

(B) ensure that the public safety interests of the citizens, including the victims of juvenile offenders, in both the sending and receiving states are adequately protected;

(C) return juveniles who have run away, absconded, or escaped from supervision or control or have been accused of an offense to the state requesting their return;

(D) make contracts for the cooperative institutionalization in public facilities in member states for delinquent youth needing special services;

(E) provide for the effective tracking and supervision of juveniles;

(F) equitably allocate the costs, benefits, and obligations of the compact states;

(G) establish procedures to manage the movement between states of juvenile offenders released to the community under the jurisdiction of courts, juvenile departments, or any other criminal or juvenile justice agency which has jurisdiction over juvenile offenders;

(H) insure immediate notice to jurisdictions where defined juvenile offenders are authorized to travel or to relocate across state lines;

(I) establish procedures to resolve pending charges (detainers) against juvenile offenders prior to transfer or release to the community under the terms of this compact;

(J) establish a system of uniform data collection on information pertaining to juveniles subject to this compact that allows access by authorized juvenile justice and criminal justice officials, and regular reporting of compact activities to heads of state; executive, judicial, and legislative branches; and juvenile criminal justice administrators;

(K) monitor compliance with rules governing interstate movement of juveniles and initiate interventions to address and correct noncompliance;

(L) coordinate training and education regarding the regulation of interstate movement of juveniles for officials involved in such activity; and

(M) coordinate the implementation and operation of the compact with the Interstate Compact for the Placement of Children, the Interstate Compact for Adult Offender Supervision, and other compacts affecting juveniles particularly in those cases where concurrent or overlapping supervision issues arise.

It is the policy of the compacting states that the activities conducted by the Interstate Commission created herein are the information of public policies and therefore are public business. Furthermore, the compacting states shall cooperate and observe their individual and collective duties and responsibilities for the prompt return and acceptance of juveniles subject to the provisions of this compact. The provisions of this compact shall be reasonably and liberally construed to accomplish the purpose and policies of the compact.

ARTICLE II
DEFINITIONS

As used in this compact, unless the context clearly requires a different construction:

A. "Bylaws" means those bylaws established by the commission for its governance, or for directing or controlling its actions or conduct.

B. "Compact administrator" means the individual in each compacting state appointed pursuant to the terms of this compact responsible for the administration and management of the state's supervision and transfer of juveniles subject to the terms of this compact, the rules adopted by the Interstate Commission, and policies adopted by the state council under this compact.

C. "Compacting state" means any state which has enacted the enabling legislation for this compact.

D. "Commissioner" means the voting representative of each compacting state appointed pursuant to Article III of this compact.

E. "Court" means any court having jurisdiction over delinquent, neglected, or dependent children.

F. "Deputy compact administrator" means the individual, if any, in each compacting state appointed to act on behalf of a compact administrator pursuant to the terms of this compact responsible for the administration and management of the state's supervision and transfer of juveniles subject to the terms of this compact, the rules adopted by the Interstate Commission, and policies adopted by the state council under this compact.

G. "Interstate Commission" means the Interstate Commission for Juveniles created by Article III of this compact.

H. "Juvenile" means any person defined as a juvenile in any member state or by the rules of the Interstate Commission, including:

(1) accused delinquent - a person charged with an offense that, if committed by an adult, would be a criminal offense;

(2) adjudicated delinquent - a person found to have committed an offense that, if committed by an adult, would be a criminal offense;

(3) accused status offender - a person charged with an offense that would not be a criminal offense if committed by an adult;

(4) adjudicated status offender - a person found to have committed an offense that would not be a criminal offense if committed by an adult; and

(5) nonoffender - a person in need of supervision who has not been accused or adjudicated a status offender or delinquent.

I. "Noncompacting state" means any state which has not enacted the enabling legislation for this compact.

J. "Probation" or "parole" means any kind of supervision or conditional release of juveniles authorized under the laws of the compacting states.

K. "Rule" means a written statement by the Interstate Commission promulgated pursuant to Article VI of this compact that is of general applicability, implements, interprets, or prescribes a policy or provision of the compact, or an organizational, procedural, or practice requirement of the commission, and has the force and effect of statutory law in a compacting state, and includes the amendment, repeal, or suspension of an existing rule.

L. "State" means a state of the United States, the District of Columbia (or its designee), the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Northern Marianas.

ARTICLE III
INTERSTATE COMMISSION FOR JUVENILES

A. The compacting states hereby create the "Interstate Commission for Juveniles." The commission shall be a body corporate and joint agency of the compacting states. The commission shall have all the responsibilities, powers, and duties set forth herein, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this compact.

B. The Interstate Commission shall consist of commissioners appointed by the appropriate appointing authority in each state pursuant to the rules and requirements of each compacting state and in consultation with the State Advisory Council for Interstate Supervision of Juvenile Offenders and Runaways created hereunder. The commissioner shall be the compact administrator. The commissioner of corrections or the commissioner's designee shall serve as the compact administrator, who shall serve on the Interstate Commission in such capacity under or pursuant to the applicable law of the compacting state.

C. In addition to the commissioners who are the voting representatives of each state, the Interstate Commission shall include individuals who are not commissioners but who are members of interested organizations. Such noncommissioner members must include a member of the national organizations of governors, legislators, state chief justices, attorneys general, Interstate Compact for Adult Offender Supervision, Interstate Compact on the Placement of Children, juvenile justice and juvenile corrections officials, and crime victims. All noncommissioner members of the Interstate Commission shall be ex-officio (nonvoting) members. The Interstate Commission may provide in its bylaws for such additional ex-officio (nonvoting) members, including members of other national organizations, in such numbers as shall be determined by the commission.

D. Each compacting state represented at any meeting of the commission is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Interstate Commission.

E. The commission shall meet at least once each calendar year. The chair may call additional meetings and, upon the request of a simple majority of the compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.

F. The Interstate Commission shall establish an executive committee, which shall include commission officers, members, and others as determined by the bylaws. The executive committee shall have the power to act on behalf of the Interstate Commission during periods when the Interstate Commission is not in session, with the exception of rulemaking and/or amendment to the compact. The executive committee shall oversee the day-to-day activities of the administration of the compact managed by an executive director and Interstate Commission staff; administer enforcement and compliance with the provisions of the compact, its bylaws, and rules; and perform such other duties as directed by the Interstate Commission or set forth in the bylaws.

G. Each member of the Interstate Commission shall have the right and power to cast a vote to which that compacting state is entitled and to participate in the business and affairs of the Interstate Commission. A member shall vote in person and shall not delegate a vote to another compacting state. However, a commissioner, in consultation with the state council, shall appoint another authorized representative, in the absence of the commissioner from that state, to cast a vote on behalf of the compacting state at a specified meeting. The bylaws may provide for members' participation in meetings by telephone or other means of telecommunication or electronic communication.

H. The Interstate Commission's bylaws shall establish conditions and procedures under which the Interstate Commission shall make its information and official records available to the public for inspection or copying. The Interstate Commission may exempt from disclosure any information or official records to the extent they would adversely affect personal privacy rights or proprietary interests.

I. Public notice shall be given of all meetings and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact. The Interstate Commission and any of its committees may close a meeting to the public where it determines by two-thirds vote that an open meeting would be likely to:

1. relate solely to the Interstate Commission's internal personnel practices and procedures;

2. disclose matters specifically exempted from disclosure by statute;

3. disclose trade secrets or commercial or financial information which is privileged or confidential;

4. involve accusing any person of a crime or formally censuring any person;

5. disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

6. disclose investigative records compiled for law enforcement purposes;

7. disclose information contained in or related to examination, operating or condition reports prepared by, or on behalf of or for the use of, the Interstate Commission with respect to a regulated person or entity for the purpose of regulation or supervision of such person or entity;

8. disclose information, the premature disclosure of which would significantly endanger the stability of a regulated person or entity;

9. specifically relate to the Interstate Commission's issuance of a subpoena or its participation in a civil action or other legal proceeding.

J. For every meeting closed pursuant to this provision, the Interstate Commission's legal counsel shall publicly certify that, in the legal counsel's opinion, the meeting may be closed to the public, and shall reference each relevant exemptive provision. The Interstate Commission shall keep minutes which shall fully and clearly describe all matters discussed in any meeting and shall provide a full and accurate summary of any actions taken, and the reasons therefore, including a description of each of the views expressed on any item and the record of any roll call vote (reflected in the vote of each member on the question). All documents considered in connection with any action shall be identified in such minutes.

K. The Interstate Commission shall collect standardized data concerning the interstate movement of juveniles as directed through its rules which shall specify the data to be collected, the means of collection, and data exchange and reporting requirements. Such methods of data collection, exchange, and reporting shall insofar as is reasonably possible conform to up-to-date technology and coordinate its information functions with the appropriate repository of records.

ARTICLE IV
POWERS AND DUTIES OF THE INTERSTATE COMMISSION

The commission shall have the following powers and duties:

1. To provide for dispute resolution among compacting states.

2. To promulgate rules to affect the purposes and obligations as enumerated in this compact, which shall have the force and effect of statutory law and shall be binding in the compact states to the extent and in the manner provided in this compact.

3. To oversee, supervise, and coordinate the interstate movement of juveniles subject to the terms of this compact and any bylaws adopted and rules promulgated by the Interstate Commission.

4. To enforce compliance with the compact provisions, the rules promulgated by the Interstate Commission, and the bylaws, using all necessary and proper means, including but not limited to the use of judicial process.

5. To establish and maintain offices which shall be located within one or more of the compacting states.

6. To purchase and maintain insurance and bonds.

7. To borrow, accept, hire, or contract for services of personnel.

8. To establish and appoint committees and hire staff which it deems necessary for the carrying out of its functions including, but not limited to, an executive committee as required by Article III, which shall have the power to act on behalf of the Interstate Commission in carrying out its powers and duties hereunder.

9. To elect or appoint such officers, attorneys, employees, agents, or consultants, and to fix their compensation, define their duties, and determine their qualifications; and to establish the Interstate Commission's personnel policies and programs relating to, inter alia, conflicts of interest, rates of compensation, and qualifications of personnel.

10. To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of it.

11. To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed.

12. To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.

13. To establish a budget, make expenditures, and levy dues as provided in Article VIII of this compact.

14. To sue and be sued.

15. To adopt a seal and bylaws governing the management and operation of the Interstate Commission.

16. To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.

17. To report annually to the legislatures, governors, judiciary, and state councils of the compacting states concerning the activities of the Interstate Commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the Interstate Commission.

18. To coordinate education, training, and public awareness regarding the interstate movement of juveniles for officials involved in such activity.

19. To establish uniform standards of the reporting, collecting, and exchanging of data.

20. The Interstate Commission shall maintain its corporate books and records in accordance with the bylaws.

ARTICLE V
ORGANIZATION AND OPERATION
OF THE INTERSTATE COMMISSION

Section A. Bylaws.

1. The Interstate Commission shall, by a majority of the members present and voting, within 12 months after the first Interstate Commission meeting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact, including, but not limited to:

a. establishing the fiscal year of the Interstate Commission;

b. establishing an executive committee and such other committees as may be necessary;

c. provide: (i) for the establishment of committees, and (ii) governing any general or specific delegation of any authority or function of the Interstate Commission;

d. providing reasonable procedures for calling and conducting meetings of the Interstate Commission and ensuring reasonable notice of each such meeting;

e. establishing the titles and responsibilities of the officers of the Interstate Commission;

f. providing a mechanism for concluding the operations of the Interstate Commission and the return of any surplus funds that may exist upon the termination of the compact after the payment and/or reserving of all of its debts and obligations;

g. providing "start-up" rules for initial administration of the compact;

h. establishing standards and procedures for compliance and technical assistance in carrying out the compact.

Section B. Officers and staff.

1. The Interstate Commission shall, by a majority of the members, elect annually from among its members a chair and a vice-chair, each of whom shall have such authority and duties as may be specified in the bylaws. The chair or, in the chair's absence or disability, the vice-chair shall preside at all meetings of the Interstate Commission. The officers so elected shall serve without compensation or remuneration from the Interstate Commission; provided that, subject to the availability of budget funds, the officers shall be reimbursed for any ordinary and necessary costs and expenses incurred by them in the performance of their responsibilities as officers of the Interstate Commission.

2. The Interstate Commission shall, through its executive committee, appoint or retain an executive director for such period, upon such terms and conditions, and for such compensation as the Interstate Commission may deem appropriate. The executive director shall serve as secretary to the Interstate Commission, but shall not be a member and shall hire and supervise such other staff as may be authorized by the Interstate Commission.

Section C. Qualified immunity, defense, and indemnification.

1. The commission's executive director and employees shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused or arising out of or relating to any actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided, that any such person shall not be protected from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any such person.

2. The liability of any commissioner, or the employee or agent of a commissioner, acting within the scope of such person's employment or duties for acts, errors, or omissions occurring within such person's state may not exceed the limits of liability set forth under the Constitution and laws of that state for state officials, employees, and agents. Nothing in this subsection shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any such person.

3. The Interstate Commission shall defend the executive director or the employees or representatives of the Interstate Commission and, subject to the approval of the attorney general of the state represented by any commissioner of a compacting state, shall defend such commissioner or the commissioner's representatives or employees in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties, or responsibilities, or that the defendant has a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such person.

4. The Interstate Commission shall indemnify and hold the commissioner of a compacting state, or the commissioner's representatives or employees, or the Interstate Commission's representatives or employees, harmless in the amount of any settlement or judgment obtained against such persons arising out of any actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

ARTICLE VI
RULEMAKING FUNCTIONS OF THE INTERSTATE COMMISSION

1. The Interstate Commission shall promulgate and publish rules in order to effectively and efficiently achieve the purposes of the compact.

2. Rulemaking shall occur pursuant to the criteria set forth in this article and the bylaws and rules adopted pursuant thereto. Such rulemaking shall substantially conform to the principles of the "Model State Administrative Procedures Act," 1981 Act, Uniform Laws Annotated, Vol. 15, page 1 (2000), or such other administrative procedures act, as the Interstate Commission deems appropriate consistent with due process requirements under the United States Constitution as now or hereafter interpreted by the United States Supreme Court. All rules and amendments shall become binding as of the date specified, as published with the final version of the rule as approved by the commission.

3. When promulgating a rule, the Interstate Commission shall, at a minimum:

a. publish the proposed rule's entire text stating the reasons for that proposed rule;

b. allow and invite any and all persons to submit written data, facts, opinions, and arguments, which information shall be added to the record, and be made publicly available;

c. provide an opportunity for an informal hearing if petitioned by ten or more persons; and

d. promulgate a final rule and its effective date, if appropriate, based on input from state or local officials, or interested parties.

4. The Interstate Commission shall allow, not later than 60 days after a rule is promulgated, any interested person to file a petition in the United States District Court for the District of Columbia or in the federal District Court where the Interstate Commission's principal office is located for judicial review of such rule. If the court finds that the Interstate Commission's action is not supported by substantial evidence in the rulemaking record, the court shall hold the rule unlawful and set it aside. For purposes of this subsection, evidence is substantial if it would be considered substantial evidence under the Model (State) Administrative Procedures Act.

5. If a majority of the legislatures of the compacting states rejects a rule, those states may, by enactment of a statute or resolution in the same manner used to adopt the compact, cause that such rule shall have no further force and effect in any compacting state.

6. The existing rules governing the operation of the Interstate Compact on Juveniles superceded by this act shall be null and void 12 months after the first meeting of the Interstate Commission created hereunder.

7. Upon determination by the Interstate Commission that a state of emergency exists, it may promulgate an emergency rule which shall become effective immediately upon adoption, provided that the usual rulemaking procedures provided hereunder shall be retroactively applied to said rule as soon as reasonably possible, but no later than 90 days after the effective date of the emergency rule.

ARTICLE VII
OVERSIGHT, ENFORCEMENT, AND DISPUTE RESOLUTION BY THE INTERSTATE COMMISSION

Section A. Oversight.

1. The Interstate Commission shall oversee the administration and operations of the interstate movement of juveniles subject to this compact in the compacting states and shall monitor such activities being administered in noncompacting states which may significantly affect compacting states.

2. The courts and executive agencies in each compacting state shall enforce this compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall be received by all the judges, public officers, commissions, and departments of the state government as evidence of the authorized statute and administrative rules. All courts shall

take judicial notice of the compact and the rules. In any judicial or administrative proceeding in a compacting state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the Interstate Commission, it shall be entitled to receive all service of process in any such proceeding, and shall have standing to intervene in the proceeding for all purposes.

3. The compact administrator shall assess and collect fines, fees, and costs from any state or local entity deemed responsible by the compact administrator for a default as determined by the Interstate Commission under Article XI.

Section B. Dispute resolution.

1. The compacting states shall report to the Interstate Commission on all issues and activities necessary for the administration of the compact as well as issues and activities pertaining to compliance with the provisions of the compact and its bylaws and rules.

2. The Interstate Commission shall attempt, upon the request of a compacting state, to resolve any disputes or other issues which are subject to the compact and which may arise among compacting states and between compacting and noncompacting states. The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes among the compacting states.

3. The Interstate Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact using any or all means set forth in Article XI of this compact.

ARTICLE VIII
FINANCE

1. The Interstate Commission shall pay or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

2. The Interstate Commission shall levy on and collect an annual assessment from each compacting state to cover the cost of the internal operations and activities of the Interstate Commission and its staff which must be in a total amount sufficient to cover the Interstate Commission's annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Interstate Commission, taking into consideration the population of each compacting state and the volume of interstate movement of juveniles in each compacting state, and shall promulgate a rule binding upon all compacting states which governs said assessment.

3. The Interstate Commission shall not incur any obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Interstate Commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

4. The Interstate Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Interstate Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Interstate Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Interstate Commission.

5. Minnesota's annual assessment shall not exceed $30,000. The Interstate Compact for Juveniles fund is established as a special fund in the Department of Corrections. The fund consists of money appropriated for the purpose of meeting financial obligations imposed on the state as a result of Minnesota's participation in this compact. An assessment levied or any other financial obligation imposed under this compact is effective against the state only to the extent that money to pay the assessment or meet the financial obligation has been appropriated and deposited in the fund established in this paragraph.

ARTICLE IX
THE STATE ADVISORY COUNCIL

Each member state shall create a State Advisory Council for the Interstate Compact for Juveniles. The Advisory Council on the Interstate Compact for Juveniles ~~consists~~ shall be combined with the Advisory Council on Interstate Adult Offender Supervision established by section 243.1606 and consist of the following individuals or their designees:

(1) the governor;

(2) the chief justice of the Supreme Court;

(3) two senators, one from the majority and the other from the minority party, selected by the Subcommittee on Committees of the senate Committee on Rules and Administration;

(4) two representatives, one from the majority and the other from the minority party, selected by the house speaker;

(5) a representative from the Department of Human Services regarding the Interstate Compact for the Placement of Children;

(6) the compact administrator, selected as provided in Article III;

(7) the executive director of the Office of Justice Programs or designee;

(8) the deputy compact administrator; ~~and~~

(9) a representative from the State Public Defender's Office;

(10) a representative from the Minnesota County Attorneys Association;

(11) a representative from the Minnesota Sheriffs' Association;

(12) a representative from the Minnesota Association of County Probation Officers;

(13) a representative from the Minnesota Association of Community Corrections Act Counties;

(14) a representative from the community at large;

(15) a representative from a community organization working with victims of crimes; and

~~(9)~~ (16) other members as appointed by the commissioner of corrections.

The council may elect a chair from among its members.

The council shall oversee and administer the state's participation in the compact as described in Article III. The council shall appoint the compact administrator as the state's commissioner.

The state advisory council will advise and exercise advocacy concerning that state's participation in Interstate Commission activities and other duties as may be determined by that state, including, but not limited to, development of policy concerning operations and procedures of the compact within that state.

Expiration; expenses. The provisions of section 15.059 apply to the council except that it does not expire.

ARTICLE X
COMPACTING STATES, EFFECTIVE DATE,
AND AMENDMENT

1. Any state, the District of Columbia (or its designee), the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands as defined in Article II of this compact is eligible to become a compacting state.

2. The compact shall become effective and binding upon legislative enactment of the compact into law by no less than 35 of the states. The initial effective date shall be the later of July 1, 2004, or upon enactment into law by the 35th jurisdiction. Thereafter, it shall become effective and binding as to any other compacting state upon enactment of the compact into law by that state. The governors of nonmember states or their designees shall be invited to participate in the activities of the Interstate Commission on a nonvoting basis prior to adoption of the compact by all states and territories of the United States.

3. The Interstate Commission may propose amendments to the compact for enactment by the compacting states. No amendment shall become effective and binding upon the Interstate Commission and the compacting states unless and until it is enacted into law by unanimous consent of the compacting states.

ARTICLE XI
WITHDRAWAL, DEFAULT, TERMINATION,
AND JUDICIAL ENFORCEMENT

Section A. Withdrawal.

1. Once effective, the compact shall continue in force and remain binding upon each and every compacting state; provided that a compacting state may withdraw from the compact specifically repealing the statute, which enacted the compact into law.

2. The effective date of withdrawal is the effective date of the repeal.

3. The withdrawing state shall immediately notify the chair of the Interstate Commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The Interstate Commission shall notify the other compacting states of the withdrawing state's intent to withdraw within 60 days of its receipt thereof.

4. The withdrawing state is responsible for all assessments, obligations, and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal.

5. Reinstatement following withdrawal of any compacting state shall occur upon the withdrawing state reenacting the compact or upon such later date as determined by the Interstate Commission.

Section B. Technical assistance, fines, suspension, termination, and default.

1. If the Interstate Commission determines that any compacting state has at any time defaulted in the performance of any of its obligations or responsibilities under this compact, or the bylaws or duly promulgated rules, the Interstate Commission may impose any or all of the following penalties:

a. remedial training and technical assistance as directed by the Interstate Commission;

b. alternative dispute resolution;

c. fines, fees, and costs in such amounts as are deemed to be reasonable as fixed by the Interstate Commission;

d. suspension or termination of membership in the compact, which shall be imposed only after all other reasonable means of securing compliance under the bylaws and rules have been exhausted and the Interstate Commission has therefore determined that the offending state is in default. Immediate notice of suspension shall be given by the Interstate Commission to the governor, the chief justice, or the chief judicial officer of the state; the majority and minority leaders of the defaulting state's legislature; and the state council. The grounds for default include, but are not limited to, failure of a compacting state to perform such obligations or responsibilities imposed upon it by this compact, the bylaws, or duly promulgated rules and any other grounds designated in commission bylaws and rules. The Interstate Commission shall immediately notify the defaulting state in writing of the penalty imposed by the Interstate Commission and of the default pending a cure of the default. The commission shall stipulate the conditions and the time period within which the defaulting state must cure its default. If the defaulting state fails to cure the default within the time period specified by the commission, the defaulting state shall be terminated from the compact upon an affirmative vote of a majority of the compacting states and all rights, privileges, and benefits conferred by this compact shall be terminated from the effective date of termination.

2. Within 60 days of the effective date of termination of a defaulting state, the commission shall notify the governor, the chief justice or chief judicial officer, the majority and minority leaders of the defaulting state's legislature, and the state council of such termination.

3. The defaulting state is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination including any obligations, the performance of which extends beyond the effective date of termination.

4. The Interstate Commission shall not bear any costs relating to the defaulting state unless otherwise mutually agreed upon in writing between the Interstate Commission and the defaulting state.

5. Reinstatement following termination of any compacting state requires both a reenactment of the compact by the defaulting state and the approval of the Interstate Commission pursuant to the rules.

Section C. Judicial enforcement.

The Interstate Commission may, by majority vote of the members, initiate legal action in the United States District Court for the District of Columbia or, at the discretion of the Interstate Commission, in the federal district where the Interstate Commission has its offices, to enforce compliance with the provisions of the compact, its duly promulgated rules and bylaws, against any compacting state in default. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

Section D. Dissolution of compact.

1. The compact dissolves effective upon the date of the withdrawal or default of the compacting state, which reduces membership in the compact to one compacting state.

2. Upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the Interstate Commission shall be concluded and any surplus funds shall be distributed in accordance with the bylaws.

ARTICLE XII
SEVERABILITY AND CONSTRUCTION

1. The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of this compact shall be enforceable.

2. The provisions of this compact shall be liberally constructed to effectuate its purposes.

ARTICLE XIII
BINDING EFFECT OF COMPACT AND OTHER LAWS

Section A. Other laws.

1. Nothing herein prevents the enforcement of any other law of a compacting state that is not inconsistent with this compact.

2. All compacting states' laws other than state constitutions and other interstate compacts conflicting with this compact are superseded to the extent of the conflict.

Section B. Binding effect of the compact.

1. All lawful actions of the Interstate Commission, including all rules and bylaws promulgated by the Interstate Commission, are binding upon the compacting state.

2. All agreements between the Interstate Commission and the compacting states are binding in accordance with their terms.

3. Upon the request of a party to a conflict over meaning or interpretation of Interstate Commission actions, and upon a majority vote of the compacting states, the Interstate Commission may issue advisory opinions regarding such meaning of interpretation.

4. In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any compacting state, the obligations, duties, powers, or jurisdiction sought to be conferred by such provision upon the Interstate Commission shall be ineffective and such obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be exercised by the agency thereof to which such obligations, duties, powers, or jurisdiction are delegated by law in effect at the time this compact becomes effective.

ARTICLE 7
COMMUNITY SUPERVISION REFORM

Section 1. Minnesota Statutes 2020, section 241.272, is amended to read:

241.272 FEE COLLECTION; PROHIBITED.

Subdivision 1. **Definition.** (a) As used in this section, the following terms have the meanings given ~~them~~.

(b) "Correctional fees" include fees for the following correctional services:

(1) ~~community service work placement and supervision;~~

~~(2) restitution collection;~~

~~(3)~~ supervision;

~~(4)~~ (2) court-ordered investigations; or

~~(5)~~ (3) any other service provided by a probation officer or parole agency for offenders supervised by the commissioner of corrections, a local unit of government, or a community corrections agency.

(c) "Probation" has the meaning given in section 609.02, subdivision 15.

(d) "Supervised release" has the meaning given in section 244.01, subdivision 7.

~~Subd. 2. **Correctional fees established.** To defray costs associated with correctional services, the commissioner of corrections may establish a schedule of correctional fees to charge persons convicted of a crime and supervised by the commissioner. The correctional fees on the schedule must be reasonably related to offenders' abilities to pay and the actual cost of correctional services.~~

Subd. 2a. **Prohibition.** The commissioner of corrections, local units of government, and community corrections agencies are prohibited from assessing and collecting correctional fees from persons on probation, parole, supervised release, or conditional release except as otherwise provided in this section.

~~Subd. 3. **Fee collection.** (a) The commissioner of corrections may impose and collect fees from individuals on probation and supervised release at any time while the offender is under sentence or after the sentence has been discharged.~~

~~(b) The commissioner may use any available civil means of debt collection in collecting a correctional fee.~~

~~Subd. 4. **Exemption from fee.** The commissioner of corrections may waive payment of the fee if the commissioner determines that the offender does not have the ability to pay the fee, the prospects for payment are poor, or there are extenuating circumstances justifying waiver of the fee. Instead of waiving the fee, the commissioner may require the offender to perform community work service as a means of paying the fee.~~

~~Subd. 5. **Restitution payment priority.** If an offender has been ordered by a court to pay restitution, the offender shall be obligated to pay the restitution ordered before paying the correctional fee. However, if the offender is making reasonable payments to satisfy the restitution obligation, the commissioner may also collect a correctional fee.~~

~~Subd. 6. **Use of fees.** Excluding correctional fees collected from offenders supervised by department agents under the authority of section 244.19, subdivision 1, paragraph (a), clause (3), all correctional fees collected under this section go to the general fund. Fees collected by agents under the authority of section 244.19, subdivision 1, paragraph (a), clause (3), shall go to the county treasurer in the county where supervision is provided. These fees may only be used in accordance with section 244.18, subdivision 6.~~

~~Subd. 7. **Annual report.** Beginning January 15, 2001, the commissioner shall submit an annual report on the implementation of 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 shall 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.~~

Subd. 8. **Sex offender treatment fee.** The commissioner of corrections may authorize sex offender treatment providers to charge and collect treatment co-pays from all offenders in their treatment program. The amount of treatment co-pay assessed to each offender is based upon a fee schedule approved by the commissioner. Fees collected under this authority are used by the treatment provider to fund the cost of treatment.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 2. Minnesota Statutes 2020, section 243.05, subdivision 1, is amended to read:

Subdivision 1. **Conditional release.** (a) The commissioner of corrections may parole any person sentenced to confinement in any state correctional facility for adults under the control of the commissioner of corrections, provided that:

(1) no inmate serving a life sentence for committing murder before May 1, 1980, other than murder committed in violation of clause (1) of section 609.185 who has not been previously convicted of a felony shall be paroled without having served 20 years, less the diminution that would have been allowed for good conduct had the sentence been for 20 years;

(2) no inmate serving a life sentence for committing murder before May 1, 1980, who has been previously convicted of a felony or though not previously convicted of a felony is serving a life sentence for murder in the first degree committed in violation of clause (1) of section 609.185 shall be paroled without having served 25 years, less the diminution which would have been allowed for good conduct had the sentence been for 25 years;

(3) any inmate sentenced prior to September 1, 1963, who would be eligible for parole had the inmate been sentenced after September 1, 1963, shall be eligible for parole; and

(4) any new rule or policy or change of rule or policy adopted by the commissioner of corrections which has the effect of postponing eligibility for parole has prospective effect only and applies only with respect to persons committing offenses after the effective date of the new rule or policy or change.

(b) Upon being paroled and released, an inmate is and remains in the legal custody and under the control of the commissioner, subject at any time to be returned to a facility of the Department of Corrections established by law for the confinement or treatment of convicted persons and the parole rescinded by the commissioner.

(c) The written order of the commissioner of corrections, is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to retake and place in actual custody any person on parole or supervised release. In addition, when it appears necessary in order to prevent escape or enforce discipline, any state parole and probation agent or state correctional investigator may, without order of warrant, take and detain a parolee or person on supervised release or work release and bring the person to the commissioner for action.

(d) The written order of the commissioner of corrections is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to retake and place in actual custody any person on probation under the supervision of the commissioner pursuant to section 609.135. Additionally, when it appears necessary in order to prevent escape or enforce discipline, any state parole and probation agent or state correctional investigator may, without an order, retake and detain a probationer and bring the probationer before the court for further proceedings under section 609.14.

(e) The written order of the commissioner of corrections is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to detain any person on pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release.

(f) Persons conditionally released, and those on probation under the supervision of the commissioner of corrections pursuant to section 609.135 may be placed within or outside the boundaries of the state at the discretion of the commissioner of corrections or the court, and the limits fixed for these persons may be enlarged or reduced according to their conduct.

(g) Except as otherwise provided in subdivision 1b, in considering applications for conditional release or discharge, the commissioner is not required to hear oral argument from any attorney or other person not connected with an adult correctional facility of the Department of Corrections in favor of or against the parole or release of any inmates. The commissioner may institute inquiries by correspondence, taking testimony, or otherwise, as to the previous history, physical or mental condition, and character of the inmate and, to that end, has the authority to require the attendance of the chief executive officer of any state adult correctional facility and the production of the records of these facilities, and to compel the attendance of witnesses. The commissioner is authorized to administer oaths to witnesses for these purposes.

~~(h) Unless the district court directs otherwise, state parole and probation agents may require a person who is under the supervision of the commissioner of corrections to perform community work service for violating a condition of probation imposed by the court. Community work service may be imposed for the purpose of protecting the public, to aid the offender's rehabilitation, or both. Agents may impose up to eight hours of community work service for each violation and up to a total of 24 hours per offender per 12 month period, beginning with the date on which community work service is first imposed. The commissioner may authorize an additional 40 hours of community work services, for a total of 64 hours per offender per 12 month period, beginning with the date on which community work service is first imposed. At the time community work service is imposed, parole and probation agents are required to provide written notice to the offender that states:~~

~~(1) the condition of probation that has been violated;~~

~~(2) the number of hours of community work service imposed for the violation; and~~

~~(3) the total number of hours of community work service imposed to date in the 12 month period.~~

~~An offender may challenge the imposition of community work service by filing a petition in district court. An offender must file the petition within five days of receiving written notice that community work service is being imposed. If the offender challenges the imposition of community work service, the state bears the burden of showing, by a preponderance of the evidence, that the imposition of community work service is reasonable under the circumstances.~~

~~Community work service includes sentencing to service.~~

~~(i) Prior to revoking a nonviolent controlled substance offender's parole or probation based on a technical violation, when the offender does not present a risk to the public and the offender is amenable to continued supervision in the community, a parole or probation agent must identify community options to address and correct the violation including, but not limited to, inpatient chemical dependency treatment. If a probation or parole agent determines that community options are appropriate, the agent shall seek to restructure the offender's terms of release to incorporate those options. If an offender on probation stipulates in writing to restructure the terms of release, a probation agent must forward a report to the district court containing:~~

~~(1) the specific nature of the technical violation of probation;~~

~~(2) the recommended restructure to the terms of probation; and~~

~~(3) a copy of the offender's signed stipulation indicating that the offender consents to the restructuring of probation.~~

~~The recommended restructuring of probation becomes effective when confirmed by a judge. The order of the court shall be proof of such confirmation and amend the terms of the sentence imposed by the court under section 609.135. If a nonviolent controlled substance offender's parole or probation is revoked, the offender's agent must first attempt to place the offender in a local jail. For purposes of this paragraph, "nonviolent controlled substance offender" is a person who meets the criteria described under section 244.0513, subdivision 2, clauses (1), (2), and (5), and "technical violation" means any violation of a court order of probation or a condition of parole, except an allegation of a subsequent criminal act that is alleged in a formal complaint, citation, or petition.~~

Sec. 3. Minnesota Statutes 2020, section 244.05, subdivision 3, is amended to read:

Subd. 3. **Sanctions for violation.** If an inmate violates the conditions of the inmate's supervised release imposed by the commissioner, the commissioner may:

(1) continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate, or transferring the inmate's case to a specialized caseload; or

(2) revoke the inmate's supervised release and reimprison the inmate for the appropriate period of time.

Prior to revoking ~~a nonviolent controlled substance~~ an offender's supervised release based on a technical violation, when the offender does not present a risk to the public ~~and the offender is amenable to continued supervision in the community~~, the commissioner must identify community options to address and correct the violation ~~including, but not limited to, inpatient chemical dependency treatment~~. If the commissioner determines that community options are appropriate, the commissioner shall restructure the inmate's terms of release to incorporate those options. ~~If a nonviolent controlled substance offender's supervised release is revoked, the offender's agent must first attempt to place the offender in a local jail.~~ For purposes of this subdivision, ~~"nonviolent controlled substance offender" is a person who meets the criteria described under section 244.0513, subdivision 2, clauses (1), (2), and (5), and~~ "technical violation" means a violation of a condition of supervised release, except an allegation of a subsequent criminal act that is alleged in a formal complaint, citation, or petition.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence, except that if a sex offender is sentenced and conditionally released under Minnesota Statutes 2004, section 609.108, subdivision 5, the period of time for which conditional release may be revoked may not exceed the balance of the conditional release term.

Sec. 4. Minnesota Statutes 2020, section 244.19, subdivision 1, is amended to read:

Subdivision 1. **Appointment; joint services; state services.** (a) If a county or group of counties has established a human services board pursuant to chapter 402, the district court may appoint one or more county probation officers as necessary to perform court services, and the human services board shall appoint persons as necessary to provide correctional services within the authority granted in chapter 402. In all counties of more than 200,000 population, which have not organized pursuant to chapter 402, the district court shall appoint one or more persons of good character to serve as county probation officers during the pleasure of the court. All other counties shall provide adult misdemeanant and juvenile probation services to district courts in one of the following ways:

(1) the court, with the approval of the county boards, may appoint one or more salaried county probation officers to serve during the pleasure of the court;

(2) when two or more counties offer probation services the district court through the county boards may appoint common salaried county probation officers to serve in the several counties;

(3) a county or a district court may request the commissioner of corrections to furnish probation services in accordance with the provisions of this section, and the commissioner of corrections shall furnish such services to any county or court that fails to provide its own probation officer by one of the two procedures listed above;

(4) if a county or district court providing probation services under clause (1) or (2) asks the commissioner of corrections or the legislative body for the state of Minnesota mandates the commissioner of corrections to furnish probation services to the district court, the probation officers and other employees displaced by the changeover shall be employed by the commissioner of corrections. Years of service in the county probation department are to be given full credit for future sick leave and vacation accrual purposes;

(5) ~~all probation officers serving the juvenile courts on July 1, 1972, shall continue to serve in the county or counties they are now serving~~ if a county receiving probation services under clause (3) decides to provide those services under clause (1) or (2), the probation officers and other employees displaced by the changeover shall be employed by the county. Years of service in the state are to be given full credit for future sick leave and vacation accrual purposes.

(b) A county or counties providing probation services under paragraph (a), clause (1) or (2), is designated a CPO county for purposes of receiving a grant under chapter 401. A county or counties receiving probation services under paragraph (a), clause (3), is not eligible for a grant under chapter 401, and the commissioner of corrections is appropriated the county's share of funding for the purpose of providing probation services, and authority to seek reimbursement from the county under subdivision 5.

(c) A county that requests the commissioner of corrections to provide probation services under paragraph (a), clause (3), shall collaborate with the commissioner to develop a comprehensive plan as described in section 401.06.

~~(b)~~ (d) The commissioner of management and budget shall place employees transferred to state service under paragraph (a), clause (4), in the proper classifications in the classified service. Each employee is appointed without examination at no loss in salary or accrued vacation or sick leave benefits, but no additional accrual of vacation or sick leave benefits may occur until the employee's total accrued vacation or sick leave benefits fall below the maximum permitted by the state for the employee's position. An employee appointed under paragraph (a), clause (4), shall serve a probationary period of six months. After exhausting labor contract remedies, a noncertified employee may appeal for a hearing within ten days to the commissioner of management and budget, who may uphold the decision, extend the probation period, or certify the employee. The decision of the commissioner of management and budget is final. The state shall negotiate with the exclusive representative for the bargaining unit to which the employees are transferred regarding their seniority. For purposes of computing seniority among those employees transferring from one county unit only, a transferred employee retains the same seniority position as the employee had within that county's probation office.

Sec. 5. Minnesota Statutes 2020, section 244.19, subdivision 5, is amended to read:

Subd. 5. **Compensation.** ~~In counties of more than 200,000 population, a majority of the judges of the district court may direct the payment of such salary to probation officers as may be approved by the county board, and in addition thereto shall be reimbursed for all necessary expenses incurred in the performance of their official duties.~~ In all counties which obtain probation services from the commissioner of corrections the commissioner shall, out of appropriations provided therefor, 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 and telegraph services, and travel and subsistence. Each county receiving probation services from the commissioner of corrections shall reimburse the department of corrections for the total cost and expenses of such services as incurred by the commissioner of corrections, excluding the cost and expense of services provided under the state's obligation in section 244.20. ~~Total annual costs for each county shall be that portion of the total costs and expenses for the services of one probation officer represented by the ratio which the county's population bears to the total population served by one officer. For the purposes of this section, the population of any county shall be the most recent estimate made by the Department of Health.~~ At least every six months the commissioner of corrections shall bill for the total cost and expenses incurred by the commissioner on behalf of each county which has received probation services. The commissioner of corrections shall notify each county of the cost and expenses and the county shall pay to the commissioner the amount due for reimbursement. All such reimbursements shall be ~~deposited in the general fund~~ used to provide services for each county according to their reimbursement amount. Objections by a county to all allocation of such cost and expenses shall be presented to and determined by the commissioner of corrections. Each county providing probation services under this section is hereby authorized to use unexpended funds and to levy additional taxes for this purpose.

The county commissioners of any county of not more than 200,000 population shall, when requested to do so by the juvenile judge, provide probation officers with suitable offices, and may provide equipment, and secretarial help needed to render the required services.

Sec. 6. Minnesota Statutes 2020, section 244.195, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this subdivision and sections 244.196 to 244.1995, the following terms have the meanings given them.

(b) "Commissioner" means the commissioner of corrections.

(c) "Conditional release" means parole, supervised release, conditional release as authorized by section 609.3455, subdivision 6, 7, or 8; Minnesota Statutes 2004, section 609.108, subdivision 6; or Minnesota Statutes 2004, section 609.109, subdivision 7, work release as authorized by sections 241.26, 244.065, and 631.425, probation, furlough, and any other authorized temporary release from a correctional facility.

(d) "Court services director" means the director or designee of a county probation agency that is not organized under section 244.19 or an agency organized under chapter 401.

(e) "Detain" means to take into actual custody, including custody within a local correctional facility.

(f) "Local correctional facility" has the meaning given in section 241.021, subdivision 1.

(g) "Probation agency" means the Department of Corrections field office or a probation agency organized under section 244.19 or chapter 401.

(h) "Probation officer" means a court services director, county probation officer, or any other community supervision officer employed by the commissioner or by a probation agency organized under section 244.19 or chapter 401.

~~(g)~~ (i) "Release" means to release from actual custody.

Sec. 7. Minnesota Statutes 2020, section 244.195, is amended by adding a subdivision to read:

Subd. 6. **Intermediate sanctions.** (a) Unless the district court directs otherwise, a probation officer may require a person committed to the officer's care by the court to perform community work service for violating a condition of probation imposed by the court. Community work service may be imposed for the purpose of protecting the public, to aid the person's rehabilitation, or both. A probation officer may impose up to eight hours of community work service for each violation and up to a total of 24 hours per person per 12-month period, beginning on the date on which community work service is first imposed. The court services director or probation agency may authorize an additional 40 hours of community work service, for a total of 64 hours per person per 12-month period, beginning with the date on which community work service is first imposed. At the time community work service is imposed, probation officers are required to provide written notice to the person that states:

(1) the condition of probation that has been violated;

(2) the number of hours of community work service imposed for the violation; and

(3) the total number of hours of community work service imposed to date in the 12-month period.

(b) A person on supervision may challenge the imposition of community work service by filing a petition in district court within five days of receiving written notice that community work service is being imposed. If the person challenges the imposition of community work service, the state bears the burden of showing, by a preponderance of the evidence, that the imposition of community work service is reasonable under the circumstances.

(c) Community work service includes sentencing to service.

Sec. 8. Minnesota Statutes 2020, section 244.195, is amended by adding a subdivision to read:

Subd. 7. **Contacts.** Supervision contacts may be conducted over video conference technology at the discretion of the probation agent.

Sec. 9. Minnesota Statutes 2020, section 244.20, is amended to read:

244.20 PROBATION SUPERVISION.

Notwithstanding sections 244.19, subdivision 1, and 609.135, subdivision 1, the Department of Corrections shall have exclusive responsibility for providing probation services for adult felons in counties that do not take part in the Community Corrections Act. ~~In counties that do not take part in the Community Corrections Act, the responsibility for providing probation services for individuals convicted of gross misdemeanor offenses shall be discharged according to local judicial policy.~~

Sec. 10. Minnesota Statutes 2020, section 244.21, is amended to read:

244.21 INFORMATION ON OFFENDERS UNDER SUPERVISION; REPORTS.

Subdivision 1. **Collection of information by probation service providers; report required.** (a) By January 1, 1998, probation service providers shall begin collecting and maintaining information on offenders under supervision. The commissioner of corrections shall specify the nature and extent of the information to be collected. By April 1 of every year, each probation service provider shall report a summary of the information collected to the commissioner as a condition of state grant funding under chapter 401.

(b) Beginning August 1, 2023, and each year thereafter, each entity required to submit a report under paragraph (a) must include in their report the total number of days in the previous fiscal year that offenders supervised by the entity had their probation or supervised release revoked.

Subd. 2. **Commissioner of corrections report.** By January 15, ~~1998~~ 2023, the commissioner of corrections shall report to the chairs of the ~~senate crime prevention and house of representatives judiciary~~ legislative committees with jurisdiction over public safety and finance on recommended methods of coordinating the exchange of information collected on offenders under subdivision 1: (1) between probation service providers; and (2) between probation service providers and the Department of Corrections~~, without requiring service providers to acquire uniform computer software~~.

Sec. 11. Minnesota Statutes 2020, section 401.01, is amended to read:

401.01 PURPOSE AND DEFINITION; ASSISTANCE GRANTS.

Subdivision 1. **Grants.** For the purpose of more effectively protecting society and to promote efficiency and economy in the delivery of correctional services, the commissioner is authorized to make grants to assist counties in the development, implementation, and operation of community-based corrections programs including preventive or diversionary correctional programs, conditional release programs, community corrections centers, and facilities for

the detention or confinement, care and treatment of persons convicted of crime or adjudicated delinquent. ~~The commissioner may authorize the use of a percentage of a grant for the operation of an emergency shelter or make a separate grant for the rehabilitation of a facility owned by the grantee and used as a shelter to bring the facility into compliance with state and local laws pertaining to health, fire, and safety, and to provide security.~~

Subd. 1a. **Credit for early discharge.** In calculating grants authorized under subdivision 1, the commissioner must not reduce the amount of a grant based on offenders being discharged from community supervision prior to the sentence expiration date imposed by the sentencing court.

Subd. 2. **Definitions.** (a) For the purposes of sections 401.01 to 401.16, the following terms have the meanings given them.

(b) "CCA county" means a county that participates in the Community Corrections Act.

(c) "Commissioner" means the commissioner of corrections or a designee.

(d) "Conditional release" means parole, supervised release, conditional release as authorized by section 609.3455, subdivision 6, 7, or 8; Minnesota Statutes 2004, section 609.108, subdivision 6; or Minnesota Statutes 2004, section 609.109, subdivision 7, work release as authorized by sections 241.26, 244.065, and 631.425, probation, furlough, and any other authorized temporary release from a correctional facility.

(e) "County probation officer" means a probation officer appointed under section 244.19.

(f) "CPO county" means a county that participates in funding under this act by providing local corrections service for all juveniles and individuals on probation for misdemeanors, pursuant to section 244.19, subdivision 1, paragraph (a), clause (1) or (2).

(g) "Detain" means to take into actual custody, including custody within a local correctional facility.

~~(g)~~ (h) "Joint board" means the board provided in section 471.59.

~~(h)~~ (i) "Local correctional facility" has the meaning given in section 241.021, subdivision 1.

~~(i)~~ (j) "Local correctional service" means those services authorized by and employees, officers, and agents appointed under section 244.19, subdivision 1.

~~(j)~~ (k) "Release" means to release from actual custody.

(l) "Tribal government" means one of the federally recognized Tribes described in section 3.922.

Sec. 12. Minnesota Statutes 2020, section 401.02, is amended to read:

401.02 COUNTIES OR REGIONS; SERVICES INCLUDABLE.

Subdivision 1. **Qualification of counties or Tribal governments.** (a) One or more counties~~, having an aggregate population of 30,000 or more persons,~~ or Tribal governments may qualify for a grant as provided in section 401.01 by ~~the enactment of appropriate resolutions creating and establishing a corrections advisory board,~~ designating the officer or agency to be responsible for administering grant funds, and providing for the preparation of a comprehensive plan for the development, implementation and operation of the correctional services described in ~~section~~ sections 401.01 and 401.11, including the assumption of those correctional services, other than the operation of state facilities, presently provided in such counties by the Department of Corrections, and providing for centralized administration and control of those correctional services described in section 401.01. Counties participating as a CCA county must also enact the appropriate resolutions creating and establishing a corrections advisory board.

Where counties or Tribal governments combine as authorized in this section, they shall comply with the provisions of section 471.59.

(b) A county that has participated in the Community Corrections Act for five or more years is eligible to continue to participate in the Community Corrections Act.

(c) If a county or Tribal government withdraws from the grant program as outlined in subdivision 1 of this section and asks the commissioner of corrections, or the legislative body or the state of Minnesota mandates the commissioner of corrections to furnish probation services to the county, the probation officers and other employees displaced by the changeover shall be employed by the commissioner of corrections. Years of service in the county probation department are to be given full credit for future sick leave and vacation accrual purposes.

Subd. 2. **Planning counties; advisory board members expenses.** To assist counties which have complied with the provisions of subdivision 1 and require financial aid to defray all or a part of the expenses incurred by corrections advisory board members in discharging their official duties pursuant to section 401.08, the commissioner may designate counties as "planning counties", and, upon receipt of resolutions by the governing boards of the counties certifying the need for and inability to pay the expenses described in this subdivision, advance to the counties an amount not to exceed five percent of the maximum quarterly ~~subsidy~~ grant for which the counties are eligible. The expenses described in this subdivision shall be paid in the same manner and amount as for state employees.

Subd. 3. **Establishment and reorganization of administrative structure.** Any county or group of counties which have qualified for participation in the ~~community corrections subsidy~~ grant program provided by this chapter may establish, organize, and reorganize an administrative structure and provide for the budgeting, staffing, and operation of court services and probation, construction or improvement to juvenile detention and juvenile correctional facilities and adult detention and correctional facilities, and other activities required to conform to the purposes of this chapter. No contrary general or special statute divests any county or group of counties of the authority granted by this subdivision.

~~Subd. 5. **Intermediate sanctions.** Unless the district court directs otherwise, county probation officers may require a person committed to the officer's care by the court to perform community work service for violating a condition of probation imposed by the court. Community work service may be imposed for the purpose of protecting the public, to aid the offender's rehabilitation, or both. Probation officers may impose up to eight hours of community work service for each violation and up to a total of 24 hours per offender per 12 month period, beginning on the date on which community work service is first imposed. The chief executive officer of a community corrections agency may authorize an additional 40 hours of community work service, for a total of 64 hours per offender per 12 month period, beginning with the date on which community work service is first imposed. At the time community work service is imposed, probation officers are required to provide written notice to the offender that states:~~

~~(1) the condition of probation that has been violated;~~

~~(2) the number of hours of community work service imposed for the violation; and~~

~~(3) the total number of hours of community work service imposed to date in the 12 month period.~~

~~An offender may challenge the imposition of community work service by filing a petition in district court. An offender must file the petition within five days of receiving written notice that community work service is being imposed. If the offender challenges the imposition of community work service, the state bears the burden of showing, by a preponderance of the evidence, that the imposition of community work service is reasonable under the circumstances.~~

~~Community work service includes sentencing to service.~~

Sec. 13. Minnesota Statutes 2020, section 401.04, is amended to read:

401.04 ACQUISITION OF PROPERTY; SELECTION OF ADMINISTRATIVE STRUCTURE; EMPLOYEES.

Any county or group of counties electing to come within the provisions of sections 401.01 to 401.16 may (a) acquire by any lawful means, including purchase, lease or transfer of custodial control, the lands, buildings and equipment necessary and incident to the accomplishment of the purposes of sections 401.01 to 401.16, (b) determine and establish the administrative structure best suited to the efficient administration and delivery of the correctional services described in section 401.01, and (c) employ a director and other officers, employees and agents as deemed necessary to carry out the provisions of sections 401.01 to 401.16. To the extent that participating counties shall assume and take over state and local correctional services presently provided in counties, employment shall be given to those state and local officers, employees and agents thus displaced; if hired by a county, employment shall, to the extent possible and notwithstanding the provisions of any other law or ordinance to the contrary, be deemed a transfer in grade with all of the benefits enjoyed by such officer, employee or agent while in the service of the state or local correctional service.

State or local employees displaced by county participation in the ~~subsidy~~ grant program provided by this chapter are on layoff status and, if not hired by a participating county as provided herein, may exercise their rights under layoff procedures established by law or union agreement whichever is applicable.

State or local officers and employees displaced by a county's participation in the Community Corrections Act and hired by the participating county shall retain all fringe benefits and recall from layoff benefits accrued by seniority and enjoyed by them while in the service of the state.

Sec. 14. Minnesota Statutes 2021 Supplement, section 401.06, is amended to read:

401.06 COMPREHENSIVE PLAN; STANDARDS OF ELIGIBILITY; COMPLIANCE.

No county or group of counties or Tribal government or group of Tribal governments electing to provide correctional services pursuant to sections 401.01 to 401.16 shall be eligible for the ~~subsidy~~ grant herein provided unless and until its comprehensive plan shall have been approved by the commissioner. The commissioner shall, pursuant to the Administrative Procedure Act, promulgate rules establishing standards of eligibility for CCA and CPO counties and Tribal governments to receive ~~funds~~ grants under sections 401.01 to 401.16. To remain eligible for ~~subsidy~~ grants counties and Tribal governments shall maintain substantial compliance with the minimum standards established pursuant to sections 401.01 to 401.16 and the policies and procedures governing the services described in section 401.025 as prescribed by the commissioner. Counties shall also be in substantial compliance with other correctional operating standards permitted by law and established by the commissioner and shall report statistics required by the commissioner including but not limited to information on individuals convicted as an extended jurisdiction juvenile identified in section 241.016, subdivision 1, paragraph (c). The commissioner shall review annually the comprehensive plans submitted by participating counties and Tribal governments, including the facilities and programs operated under the plans. The commissioner is hereby authorized to enter upon any facility operated under the plan, and inspect books and records, for purposes of recommending needed changes or improvements. When the commissioner provides supervision to a county that elects not to provide the supervision, the commissioner shall prepare a comprehensive plan for the county and shall present it to the local county board of commissioners. The Department of Corrections shall be subject to all the standards and requirements established in sections 401.01 to 401.16 and promulgated rules.

When the commissioner shall determine that there are reasonable grounds to believe that a county or group of counties or Tribal government or group of Tribal governments is not in substantial compliance with minimum standards, at least 30 days' notice shall be given the county or counties or Tribal government or group of Tribal governments and a hearing conducted by the commissioner to ascertain whether there is substantial compliance or satisfactory progress being made toward compliance. The commissioner may suspend all or a portion of any ~~subsidy~~ grant until the required standard of operation has been met.

Sec. 15. Minnesota Statutes 2020, section 401.09, is amended to read:

401.09 OTHER SUBSIDY PROGRAMS; PURCHASE OF STATE SERVICES.

Failure of a county or group of counties to elect to come within the provisions of sections 401.01 to 401.16 shall not affect their eligibility for any other state grant or subsidy for correctional purposes otherwise provided by law. Any comprehensive plan submitted pursuant to sections 401.01 to 401.16 may include the purchase of selected correctional services from the state by contract, including the temporary detention and confinement of persons convicted of crime or adjudicated delinquent; confinement to be in an appropriate state facility as otherwise provided by law. The commissioner shall annually determine the costs of the purchase of services under this section and deduct them from the ~~subsidy~~ grant due and payable to the county or counties concerned; provided that no contract shall exceed in cost the amount of ~~subsidy~~ grant to which the participating county or counties are eligible.

Sec. 16. Minnesota Statutes 2020, section 401.10, is amended to read:

401.10 COMMUNITY CORRECTIONS AID.

Subdivision 1. **~~Aid calculations~~ Funding formula.** ~~To determine the community corrections aid amount to be paid to each participating county, the commissioner of corrections must apply the following formula:~~

~~(1) For each of the 87 counties in the state, a percent score must be calculated for each of the following five factors:~~

~~(i) percent of the total state population aged ten to 24 residing within the county according to the most recent federal census, and, in the intervening years between the taking of the federal census, according to the most recent estimate of the state demographer;~~

~~(ii) percent of the statewide total number of felony case filings occurring within the county, as determined by the state court administrator;~~

~~(iii) percent of the statewide total number of juvenile case filings occurring within the county, as determined by the state court administrator;~~

~~(iv) percent of the statewide total number of gross misdemeanor case filings occurring within the county, as determined by the state court administrator; and~~

~~(v) percent of the total statewide number of convicted felony offenders who did not receive an executed prison sentence, as monitored and reported by the Sentencing Guidelines Commission.~~

~~The percents in items (ii) to (v) must be calculated by combining the most recent three-year period of available data. The percents in items (i) to (v) each must sum to 100 percent across the 87 counties.~~

~~(2) For each of the 87 counties, the county's percents in clause (1), items (i) to (v), must be weighted, summed, and divided by the sum of the weights to yield an average percent for each county, referred to as the county's "composite need percent." When performing this calculation, the weight for each of the percents in clause (1), items (i) to (v), is 1.0. The composite need percent must sum to 100 percent across the 87 counties.~~

~~(3) For each of the 87 counties, the county's "adjusted net tax capacity percent" is the county's adjusted net tax capacity amount, defined in the same manner as it is defined for cities in section 477A.011, subdivision 20, divided by the statewide total adjusted net tax capacity amount. The adjusted net tax capacity percent must sum to 100 percent across the 87 counties.~~

~~(4) For each of the 87 counties, the county's composite need percent must be divided by the county's adjusted net tax capacity percent to produce a ratio that, when multiplied by the county's composite need percent, results in the county's "tax base adjusted need percent."~~

~~(5) For each of the 87 counties, the county's tax base adjusted need percent must be added to twice the composite need percent, and the sum must be divided by 3, to yield the county's "weighted need percent."~~

~~(6) Each participating county's weighted need percent must be added to the weighted need percent of each other participating county to yield the "total weighted need percent for participating counties."~~

~~(7) Each participating county's weighted need percent must be divided by the total weighted need percent for participating counties to yield the county's "share percent." The share percents for participating counties must sum to 100 percent.~~

~~(8) Each participating county's "base funding amount" is the aid amount that the county received under this section for fiscal year 1995 plus the amount received in caseload or workload reduction, felony caseload reduction, and sex offender supervision grants in fiscal year 2015, as reported by the commissioner of corrections. In fiscal year 1997 and thereafter, no county's aid amount under this section may be less than its base funding amount, provided that the total amount appropriated for this purpose is at least as much as the aggregate base funding amount defined in clause (9).~~

~~(9) The "aggregate base funding amount" is equal to the sum of the base funding amounts for all participating counties. If a county that participated under this section chooses not to participate in any given year, then the aggregate base funding amount must be reduced by that county's base funding amount. If a county that did not participate under this section in fiscal year 1995 chooses to participate on or after July 1, 2015, then the aggregate base funding amount must be increased by the amount of aid that the county would have received had it participated in fiscal year 1995 plus the estimated amount it would have received in caseload or workload reduction, felony caseload reduction, and sex offender supervision grants in fiscal year 2015, as reported by the commissioner of corrections, and the amount of increase shall be that county's base funding amount.~~

~~(10) In any given year, the total amount appropriated for this purpose first must be allocated to participating counties in accordance with each county's base funding amount. Then, any remaining amount in excess of the aggregate base funding amount must be allocated to participating counties in proportion to each county's share percent, and is referred to as the county's "formula amount."~~

~~Each participating county's "community corrections aid amount" equals the sum of (i) the county's base funding amount, and (ii) the county's formula amount.~~

~~(11) However, if in any year the total amount appropriated for the purpose of this section is less than the aggregate base funding amount, then each participating county's community corrections aid amount is the product of (i) the county's base funding amount multiplied by (ii) the ratio of the total amount appropriated to the aggregate base funding amount.~~

~~For each participating county, the county's community corrections aid amount calculated in this subdivision is the total amount of subsidy to which the county is entitled under sections 401.01 to 401.16.~~

(a) The state shall institute one funding formula for supervising people in the community. For fiscal year 2023, the commissioner shall use the following formula to determine each county and Tribal government grant and the department's funding for supervision in counties or Tribal jurisdictions served by the department. Funding and allocations for intensive supervised release are not included in the formula and regardless of the results of the formula, in fiscal year 2023, the commissioner shall provide 50 percent funding to CPO counties as previously required in section 244.19, subdivision 6. The following amounts shall be summed to arrive at the total for a county, Tribal government, or the department:

(1) $250,000;

(2) ten percent of the total appropriation for community supervision and postrelease services to the department for community supervision in fiscal year 2022 multiplied by the county's or Tribe's percentage of the state's total population;

(3) ten percent of the total appropriation to the department for community supervision in fiscal year 2022 multiplied by the county's or Tribe's percentage of the state's total geographic area;

(4) the result of the following methodology:

(i) use the county's felony supervision population as reflected in the most recent probation survey by the department and analysis conducted in 2021 by an independent contractor;

(ii) use the hours required to supervise the felony population based on 2,080 hours of full-time equivalent officer time in one year; and

(iii) assume a $100,000 cost for each full-time equivalent officer and multiply that amount by the average full-time equivalent time for the county for one year; and

(5) the department may prorate the total amount distributed in clauses (2), (3), and (4), as necessary, so as to not exceed the total appropriation for fiscal year 2023.

(b) For use in fiscal year 2024 and beyond, to replace the methodology in paragraph (a), clause (4), the state shall implement a workload methodology developed by the Supervision Standards Committee to calculate the average per diem costs of supervising people in communities and accounting for people of different risk and need levels who are juveniles, on probation for a misdemeanor, on probation for a gross misdemeanor, on probation for a felony, on supervised or conditional release, or on intensive supervised release. The Department of Corrections and the Supervision Standards Committee shall report the methodology and the calculated fiscal impacts of the formula described in this paragraph estimated for each of fiscal years 2024, 2025, 2026, and 2027 to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy, to the governor, and to the Department of Management and Budget by October 15, 2022, for consideration in biennial budget development under section 16A.10, subdivision 2. The department may prorate the total amount distributed in fiscal year 2024 and subsequent years as necessary, so as to not exceed the total appropriation for that fiscal year.

(c) The reimbursement formulas developed under paragraphs (a) and (b) must:

(1) limit the weight of a misdemeanor case to no more than one-half of the weight assigned to a felony case with a comparable risk level assessment for purposes of calculating weighted caseloads; and

(2) account for the absence of work performed in an entity's caseload that occurs when offenders under the entity's supervision are reincarcerated. The formulas must reduce an entity's current grant award by the amount of savings that would have been generated in the prior year from supervision that was not performed because of offender reincarceration.

Subd. 2. **Transfer of funds.** Notwithstanding any law to the contrary, the commissioner of corrections, after notifying the committees on finance of the senate and ways and means of the house of representatives, may, at the end of any fiscal year, transfer any unobligated funds, including funds available due the withdrawal of a county under section 401.16, in any appropriation to the Department of Corrections to the appropriation under sections 401.01 to 401.16, which appropriation shall not cancel but is reappropriated for the purposes of sections 401.01 to 401.16.

Subd. 3. **Formula review.** ~~Prior to January 16, 2002, the committees with jurisdiction over community corrections funding decisions in the house of representatives and the senate, in consultation with the Department of Corrections and any interested county organizations, must review the formula in subdivision 1 and make recommendations to the legislature for its continuation, modification, replacement, or discontinuation.~~ (a) For fiscal year 2024 and subsequent fiscal years, the commissioner shall make a funding recommendation based upon the following two components:

(1) for the first component the following amounts shall be summed to arrive at the total for a county, Tribal government, or the department:

(i) $250,000;

(ii) ten percent of the total appropriation to the department for community supervision in the previous fiscal year multiplied by the county's percentage of the state's total population according to 2020 census data; and

(iii) ten percent of the total appropriation to the department for community supervision in the previous fiscal year multiplied by the county's percentage of the state's total geographic area as reflected in square miles; and

(2) for the second component funding shall reflect the results of the workload study in subdivision 1, paragraph (b).

(b) Every six years the workload study shall be repeated and updated by the Department of Corrections in consultation with the Community Supervision Advisory Board if established.

(c) For the purposes of the recommendations required under this section, every six years the $250,000 base amount shall be adjusted to reflect the statewide average cost of 2.5 probation officer full-time equivalent employees.

Sec. 17. Minnesota Statutes 2020, section 401.11, is amended to read:

401.11 COMPREHENSIVE PLAN ITEMS; GRANT REVIEW.

Subdivision 1. **Items.** The comprehensive plan submitted to the commissioner for approval shall include those items prescribed by rule of the commissioner, which may require the inclusion of the following: (a) 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; (b) the manner in which conditional release services to the courts and persons under jurisdiction of the commissioner of corrections will be provided; (c) a program for the detention, supervision, and treatment of persons under pretrial detention or under commitment; (d) delivery of other correctional services defined in section 401.01; (e) proposals for new programs, which proposals must demonstrate a need for the program, its purpose, objective, administrative structure, staffing pattern, staff training, financing, evaluation process, degree of community involvement, client participation, and duration of program.

Subd. 2. **Review.** In addition to the foregoing requirements made by this section, each participating CCA county or group of counties shall develop and implement a procedure for the review of grant applications made to the corrections advisory board and for the manner in which corrections advisory board action will be taken on them. A description of this procedure must be made available to members of the public upon request.

Sec. 18. Minnesota Statutes 2020, section 401.12, is amended to read:

401.12 CONTINUATION OF CURRENT SPENDING LEVEL BY COUNTIES.

Participating counties shall not diminish their current level of spending for correctional expenses as defined in section 401.01, to the extent of any ~~subsidy~~ grant received pursuant to sections 401.01 to 401.16; rather the ~~subsidy~~ grant herein provided is for the expenditure for correctional purposes in excess of those funds currently being expended. Should a participating county be unable to expend the full amount of the ~~subsidy~~ grant to which it would be entitled in any one year under the provisions of sections 401.01 to 401.16, the commissioner shall retain the surplus, subject to disbursement in the following year wherein such county can demonstrate a need for and ability to expend same for the purposes provided in section 401.01. If in any biennium the ~~subsidy~~ grant is increased by an inflationary adjustment which results in the county receiving more actual ~~subsidy~~ grant than it did in the previous calendar year, the county shall be eligible for that increase only if the current level of spending is increased by a percentage equal to that increase within the same biennium.

Sec. 19. Minnesota Statutes 2020, section 401.14, subdivision 1, is amended to read:

Subdivision 1. **Payment.** Upon compliance by a county or group of counties with the prerequisites for participation in the ~~subsidy~~ grant prescribed by sections 401.01 to 401.16, and approval of the comprehensive plan by the commissioner, the commissioner shall determine whether funds exist for the payment of the ~~subsidy~~ grant and proceed to pay same in accordance with applicable rules.

Sec. 20. Minnesota Statutes 2020, section 401.14, subdivision 3, is amended to read:

Subd. 3. **Installment payments.** The commissioner of corrections shall make payments for community corrections services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. ~~The payment described in this subdivision for services rendered during June 1985 shall be made on the first working day of July 1985.~~

Sec. 21. Minnesota Statutes 2020, section 401.15, subdivision 2, is amended to read:

Subd. 2. **Ranking review.** The commissioner shall biennially review the ranking accorded each county by the equalization formula provided in section 401.10 and compute the ~~subsidy~~ grant rate accordingly.

Sec. 22. Minnesota Statutes 2020, section 401.16, is amended to read:

401.16 WITHDRAWAL FROM PROGRAM.

Any participating county or Tribal government may, at the beginning of any calendar quarter, by resolution of its board of commissioners or Tribal government leaders, notify the commissioner of its intention to withdraw from the ~~subsidy~~ grant program established by sections 401.01 to 401.16, and the withdrawal shall be effective the last day ~~of the last month~~ of the third quarter ~~in~~ after which the notice was given. ~~Upon withdrawal, the unexpended balance of moneys allocated to the county, or that amount necessary to reinstate state correctional services displaced by that county's participation, including complement positions, may, upon approval of the legislative advisory commission, be transferred to the commissioner for the reinstatement of the displaced services and the payment of any other correctional subsidies for which the withdrawing county had previously been eligible.~~

Sec. 23. **SUPERVISION STANDARDS COMMITTEE.**

Subdivision 1. **Establishment; members.** (a) The commissioner of corrections shall establish a supervision standards committee to develop standards for probation, supervised release, and community supervision. The committee consists of 13 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) two 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) the commissioner of corrections or a designee and one additional representative of the department appointed by the commissioner; and

(7) the chair of the statewide evidence-based practice advisory committee.

(b) When an appointing authority selects an individual for membership on the committee, the authority shall make reasonable efforts to reflect geographic diversity and to appoint qualified members of protected groups, as defined in Minnesota Statutes, section 43A.02, subdivision 33.

(c) The commissioner shall convene the first meeting of the committee on or before July 15, 2022.

Subd. 2. **Terms; removal; reimbursement.** (a) In the case of a vacancy on the committee, the appointing authority shall appoint a person to fill the vacancy. The members of the committee shall elect any officers and create any subcommittees necessary for the efficient discharge of committee duties.

(b) A member may be removed by the appointing authority at any time at the pleasure of the appointing authority.

(c) A member of the committee shall be reimbursed for all reasonable expenses actually paid or incurred by that member in the performance of official duties in the same manner as other employees of the state. The public members of the committee shall be compensated at the rate of $55 for each day or part thereof spent on committee activities.

Subd. 3. **Duties.** (a) The committee shall comply with the requirements of section 401.10.

(b) By June 30, 2023, the committee shall provide written advice and recommendations to the commissioner of corrections for creation of administrative rules and policy regarding the following:

(1) developing statewide supervision standards and definitions to be applied to community supervision provided by CPO counties, CCA counties, and the Department of Corrections;

(2) requiring community supervision agencies to use the same agreed-upon risk screener and risk and needs assessment tools, as the main supervision assessment methods, or a universal five-level matrix allowing for consistent supervision levels and that all tools in use be validated on Minnesota's community supervision population and revalidated every five years;

(3) requiring the use of assessment-driven, formalized collaborative case planning to focus case planning goals on identified criminogenic and behavioral health need areas for moderate- and high-risk individuals;

(4) limiting standard conditions required for all people on supervision across all supervision systems and judicial districts, ensure that conditions of supervision are directly related to the offense of the person on supervision, and tailor special conditions to people on supervision identified as high risk and need;

(5) providing gender-responsive, culturally appropriate services and trauma-informed approaches;

(6) developing a statewide incentives and sanctions grid to guide responses to client behavior while under supervision to be reviewed and updated every five years to maintain alignment with national best practices; and

(7) developing performance indicators for supervision success as well as recidivism.

(c) The committee shall explore the role of a permanent state Community Supervision Advisory Board for the purposes of the required report in subdivision 6.

Subd. 4. **Response.** Within 45 days of receiving the committee's recommendations, the commissioner must respond in writing to the committee's advice and recommendations. The commissioner's response must explain whether the agency will promulgate rules based on the recommendations, the timeline for rulemaking, and an explanation of why the commissioner will not or cannot include any individual recommendations of the committee in the agency's promulgation of rules. The commissioner must also submit the advice and recommendations of the committee and the commissioner's written response, to the Governor's Council on Justice Reinvestment and to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and finance at the same time.

Subd. 5. **Staff; meeting room; office equipment.** The commissioner shall provide the committee with staff support, a meeting room, and access to office equipment and services.

Subd. 6. **Report.** (a) On January 15, 2023, and January 15, 2024, the committee shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and finance and the Governor's Council on Justice Reinvestment on progress regarding the development of standards and recommendations under subdivision 3.

(b) On January 15, 2025, the committee shall submit a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and finance and the Governor's Council on Justice Reinvestment on the standards and recommendations developed according to subdivision 3. The recommendations must include, at a minimum, a proposed state-level Community Supervision Advisory Board with a governance structure and duties for the board.

Subd. 7. **Expiration.** The committee expires the earlier of January 25, 2025, or the day after the final report is submitted to the legislature and the Governor's Council on Justice Reinvestment.

Sec. 24. **REPEALER.**

(a) Minnesota Statutes 2020, sections 244.19, subdivisions 6, 7, and 8; 244.22; 244.24; 244.30; and 401.025, are repealed.

(b) Minnesota Statutes 2020, sections 244.18; and 609.102, subdivisions 1, 2, and 2a, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2022. Paragraph (b) is effective July 1, 2023."

Delete the title and insert:

"A bill for an act relating to public safety; providing policy for general crimes and public safety, law enforcement, controlled substances, and corrections and sentencing; modifying wine shipment policy; providing for public safety communicators; modifying interstate compact for juveniles; establishing Office for Missing and Murdered Black Women and Girls; establishing reward fund for information on missing and murdered Indigenous relatives; providing for community supervision reform; modifying certain expungement law; establishing clemency review commission; establishing supervision standards committee for probation, supervised release, and community supervision; establishing task forces and boards; providing for grants; requiring reports; providing for rulemaking; appropriating money; amending Minnesota Statutes 2020, sections 13.6905, by adding a subdivision; 13.825, subdivision 2; 13.871, subdivision 14; 152.01, subdivisions 9a, 12a, 16, by adding subdivisions; 152.021, subdivision 2; 152.022, subdivision 2; 152.023, subdivision 2; 152.025, subdivision 4; 152.027, subdivision 4; 152.0271; 152.096, subdivision 1; 152.18, subdivisions 1, 3; 152.32, by adding a subdivision; 214.10, subdivision 10; 241.01, subdivision 3a; 241.021, subdivisions 2a, 2b, by adding subdivisions; 241.272; 241.90; 242.192; 243.05, subdivision 1; 243.1606; 244.05, subdivisions 3, 5; 244.09, subdivisions 5, 10; 244.19, subdivisions 1, 5; 244.195, subdivision 1, by adding subdivisions; 244.20; 244.21; 256I.04, subdivision 2g; 260.515; 260B.163, subdivision 1; 260B.176, subdivision 2, by adding a subdivision; 260B.198, subdivision 1; 260C.007, subdivision 6; 299A.01, subdivision 2, by adding a subdivision; 299A.49, subdivision 2; 299A.50, subdivision 1; 299A.51; 299A.706; 299A.78, subdivision 1; 299A.79, subdivision 3; 299C.10, subdivision 1; 299C.111; 299C.17; 299C.46, subdivision 1; 299C.65, subdivisions 1a, 3a; 299F.362; 326.3361, subdivision 2; 340A.304; 340A.417; 401.01; 401.02; 401.04; 401.09; 401.10; 401.11; 401.12; 401.14, subdivisions 1, 3; 401.15, subdivision 2; 401.16; 403.02, by adding a subdivision; 541.073, subdivision 2; 573.02, subdivision 1; 609.05, by adding a subdivision; 609.165, subdivisions 1a, 1b; 609.281, subdivisions 3, 4, 5; 609.282, subdivision 1, by adding a subdivision; 609.87, by adding a subdivision; 609.89, subdivision 1; 609A.01; 609A.02, by adding a subdivision; 609A.03, subdivisions 5, 9; 611A.03, subdivision 1; 626.76, by adding a subdivision; 626.843, subdivision 1, by adding subdivisions; 626.8473, subdivision 3; 626.89, subdivision 17; 626.93, by adding a subdivision; 626A.35, by adding a subdivision; 629.341, subdivisions 3, 4; 629.72, subdivision 6; 638.01; 641.15, subdivision 2; Minnesota Statutes 2021 Supplement, sections 152.01, subdivision 18; 253B.18, subdivision 5a; 253D.14, subdivision 2; 401.06; 403.11, subdivision 1; 609.02, subdivision 16; 609A.03, subdivision 7a; 628.26; Laws 2021, First Special Session chapter 11, article 1, section 15, subdivision 3; article 2, section 12; proposing coding for new law in Minnesota Statutes, chapters 152; 244; 299A; 299C; 340A; 403; 609A; 638; repealing Minnesota Statutes 2020, sections 244.18; 244.19, subdivisions 6, 7, 8; 244.22; 244.24; 244.30; 299A.49, subdivision 7; 401.025; 403.02, subdivision 17c; 609.102, subdivisions 1, 2, 2a; 609.281, subdivision 2; 609.293, subdivisions 1, 5; 609.34; 609.36; 638.02; 638.03; 638.04; 638.05; 638.06; 638.07; 638.075; 638.08."

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

The report was adopted.

Liebling from the Committee on Health Finance and Policy to which was referred:

H. F. No. 4706, A bill for an act relating to long-term care; appropriating money to the commissioner of health and the commissioner of human services for long-term care protection and support activities and a temporary staffing pool.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
DEPARTMENT OF HEALTH FINANCE

Section 1. **[62J.811] PROVIDER BALANCE BILLING REQUIREMENTS.**

Subdivision 1. **Requirements.** (a) Each health provider and health facility shall comply with Division BB, Title I of the Consolidated Appropriations Act, 2021, also known as the "No Surprises Act," including any federal regulations adopted under that act, to the extent that it imposes requirements that apply in this state but are not required under the laws of this state. This section does not require compliance with any provision of the No Surprises Act before January 1, 2022.

(b) For the purposes of this section, "provider" or "facility" means any health care provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject to relevant provisions of the No Surprises Act.

Subd. 2. **Compliance and investigations.** (a) The commissioner of health shall, to the extent practicable, seek the cooperation of health care providers and facilities in obtaining compliance with this section.

(b) A person who believes a health care provider or facility has not complied with the requirements of the No Surprises Act or this section may file a complaint with the commissioner of health. Complaints filed under this section must be filed in writing, either on paper or electronically. The commissioner may prescribe additional procedures for the filing of complaints.

(c) The commissioner may also conduct compliance reviews to determine whether health care providers and facilities are complying with this section.

(d) The commissioner will investigate complaints filed under this section. The commissioner may prioritize complaint investigations, compliance reviews, and the collection of any possible civil monetary penalties under paragraph (g), clause (2), based on factors such as repeat complaints or violations, the seriousness of the complaint or violation, and other factors as determined by the commissioner.

(e) The commissioner shall inform the health care provider or facility of the complaint or findings of a compliance review and shall provide an opportunity for the health care provider or facility to submit information the health care provider or facility considers relevant to further review and investigation of the complaint or the findings of the compliance review. The health care provider or facility must submit any such information to the commissioner within 30 days of receipt of notification of a complaint or compliance review under this section.

(f) If, after reviewing any information described in paragraph (e) and the results of any investigation, the commissioner determines that the provider or facility has not violated this section, the commissioner shall notify the provider or facility as well as any relevant complainant.

(g) If, after reviewing any information described in paragraph (e) and the results of any investigation, the commissioner determines that the provider or facility is in violation of this section, the commissioner shall notify the provider or facility and take the following steps:

(1) in cases of noncompliance with this section, the commissioner shall first attempt to achieve compliance through successful remediation on the part of the noncompliant provider or facility including completion of a corrective action plan or other agreement; and

(2) if, after taking the action in clause (1) compliance has not been achieved, the commissioner of health shall notify the provider or facility that the provider or facility is in violation of this section and that the commissioner is imposing a civil monetary penalty. If the commissioner determines that more than one health care provider or facility was responsible for a violation, the commissioner may impose a civil money penalty against each health care provider or facility. The amount of a civil money penalty shall be up to $100 for each violation, but shall not exceed $25,000 for identical violations during a calendar year; and

(3) no civil money penalty shall be imposed under this section for violations that occur prior to January 1, 2023. Warnings must be issued and any compliance issues must be referred to the federal government for enforcement pursuant to the federal No Surprises Act or other applicable federal laws and regulations.

(h) A health care provider or facility may contest whether the finding of facts constitute a violation of this section according to the contested case proceeding in sections 14.57 to 14.62, subject to appeal according to sections 14.63 to 14.68.

(i) When steps in paragraphs (b) to (h) have been completed as needed, the commissioner shall notify the health care provider or facility and, if the matter arose from a complaint, the complainant regarding the disposition of complaint or compliance review.

(j) Any data collected by the commissioner of health as part of an active investigation or active compliance review under this section are classified as protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals and confidential pursuant to section 13.02, subdivision 3, in the case of data on individuals. Data describing the final disposition of an investigation or compliance review are classified as public.

(k) Civil money penalties imposed and collected under this subdivision shall be deposited into the general fund and are appropriated to the commissioner of health for the purposes of this section, including the provision of compliance reviews and technical assistance.

(l) Any compliance and investigative action taken by the department under this section shall only include potential violations that occur on or after the effective date of this section.

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

Sec. 2. Minnesota Statutes 2020, section 62Q.021, is amended by adding a subdivision to read:

Subd. 3. **Compliance with 2021 federal law.** Each health plan company, health provider, and health facility shall comply with Division BB, Title I of the Consolidated Appropriations Act, 2021, also known as the "No Surprises Act," including any federal regulations adopted under that act, to the extent that it imposes requirements that apply in this state but are not required under the laws of this state. This section does not require compliance with any provision of the No Surprises Act before the effective date provided for that provision in the Consolidated Appropriations Act. The commissioner shall enforce this subdivision.

Sec. 3. Minnesota Statutes 2020, section 62Q.55, subdivision 5, is amended to read:

Subd. 5. **Coverage restrictions or limitations.** If emergency services are provided by a nonparticipating provider, with or without prior authorization, the health plan company shall not impose coverage restrictions or limitations that are more restrictive than apply to emergency services received from a participating provider. Cost-sharing requirements that apply to emergency services received out-of-network must be the same as the cost-sharing requirements that apply to services received in-network and shall count toward the in-network deductible. All coverage and charges for emergency services must comply with all requirements of Division BB, Title I of the Consolidated Appropriations Act, 2021, including any federal regulations adopted under that act.

Sec. 4. Minnesota Statutes 2020, section 62Q.556, is amended to read:

62Q.556 ~~UNAUTHORIZED PROVIDER SERVICES~~ CONSUMER PROTECTIONS AGAINST BALANCE BILLING.

Subdivision 1. **~~Unauthorized provider services~~ Nonparticipating provider balance billing prohibition.** (a) Except as provided in paragraph ~~(c)~~ (b), ~~unauthorized provider services occur~~ balance billing is prohibited when an enrollee receives services:

(1) from a nonparticipating provider at a participating hospital or ambulatory surgical center, ~~when the services are rendered:~~ as described by Division BB, Title I of the Consolidated Appropriations Act, 2021, including any federal regulations adopted under that act;

~~(i) due to the unavailability of a participating provider;~~

~~(ii) by a nonparticipating provider without the enrollee's knowledge; or~~

~~(iii) due to the need for unforeseen services arising at the time the services are being rendered; or~~

(2) from a participating provider that sends a specimen taken from the enrollee in the participating provider's practice setting to a nonparticipating laboratory, pathologist, or other medical testing facility~~.~~; or

~~(b) Unauthorized provider services do not include emergency services as defined in section 62Q.55, subdivision 3.~~

(3) from a nonparticipating provider or facility providing emergency services as defined in section 62Q.55, subdivision 3, and other services as described in the requirements of Division BB, Title I of the Consolidated Appropriations Act, 2021, including any federal regulations adopted under that act.

~~(c)~~ (b) The services described in paragraph (a), ~~clause~~ clauses (1) and (2), as defined in Division BB, Title I of the Consolidated Appropriations Act, 2021, and any federal regulations adopted under that act, are ~~not unauthorized provider services~~ subject to balance billing if the enrollee ~~gives advance written~~ informed consent ~~to the~~ prior to receiving services from the nonparticipating provider acknowledging that the use of a provider, or the services to be rendered, may result in costs not covered by the health plan. The informed consent must comply with all requirements of Division BB, Title I of the Consolidated Appropriations Act, 2021, including any federal regulations adopted under that act.

Subd. 2. **~~Prohibition~~ Cost-sharing requirements and independent dispute resolution.** (a) An enrollee's financial responsibility for the ~~unauthorized~~ nonparticipating provider services described in subdivision 1, paragraph (a), shall be the same cost-sharing requirements, including co-payments, deductibles, coinsurance, coverage restrictions, and coverage limitations, as those applicable to services received by the enrollee from a participating provider. A health plan company must apply any enrollee cost sharing requirements, including co-payments, deductibles, and coinsurance, for unauthorized provider services to the enrollee's annual out-of-pocket limit to the same extent payments to a participating provider would be applied.

(b) A health plan company ~~must attempt to negotiate the reimbursement, less any applicable enrollee cost sharing under paragraph (a), for the unauthorized provider services with the nonparticipating provider. If a health plan company's and nonparticipating provider's attempts to negotiate reimbursement for the health care services do not result in a resolution, the health plan company or provider may elect to refer the matter for binding arbitration, chosen in accordance with paragraph (c). A nondisclosure agreement must be executed by both parties prior to engaging an arbitrator in accordance with this section. The cost of arbitration must be shared equally between the parties~~ and nonparticipating provider shall initiate open negotiations of disputed amounts. If there is no agreement, either party may initiate the federal independent dispute resolution process pursuant to Division BB, Title I of the Consolidated Appropriations Act, 2021, including any federal regulations adopted under that act.

~~(c) The commissioner of health, in consultation with the commissioner of the Bureau of Mediation Services, must develop a list of professionals qualified in arbitration, for the purpose of resolving disputes between a health plan company and nonparticipating provider arising from the payment for unauthorized provider services. The commissioner of health shall publish the list on the Department of Health website, and update the list as appropriate.~~

~~(d) The arbitrator must consider relevant information, including the health plan company's payments to other nonparticipating providers for the same services, the circumstances and complexity of the particular case, and the usual and customary rate for the service based on information available in a database in a national, independent, not for profit corporation, and similar fees received by the provider for the same services from other health plans in which the provider is nonparticipating, in reaching a decision.~~

Subd. 3. **Annual data reporting.** (a) Beginning April 1, 2023, a health plan company must report annually to the commissioner:

(1) the total number of claims and total billed and paid amount for nonparticipating provider services, by service and provider type, submitted to the health plan in the prior calendar year; and

(2) the total number of enrollee complaints received regarding the rights and protections established by Division BB, Title I of the Consolidated Appropriations Act, 2021, including any federal regulations adopted under that act, in the prior calendar year.

(b) The commissioners of commerce and health may develop the form and manner for health plan companies to comply with paragraph (a).

Subd. 4. **Enforcement.** (a) Any provider or facility, including a health care provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject to relevant provisions of the No Surprises Act is subject to the requirements of this section.

(b) The commissioner of commerce or health may enforce this section.

(c) If the commissioner of health has cause to believe that any hospital or facility licensed under chapter 144 has violated this section, the commissioner may investigate, examine, and otherwise enforce this section pursuant to chapter 144 or may refer the potential violation to the relevant licensing board with regulatory authority over the provider.

(d) If a health-related licensing board has cause to believe that a provider has violated this section, it may further investigate and enforce the provisions of this section pursuant to chapter 214.

Sec. 5. Minnesota Statutes 2020, section 62Q.56, subdivision 2, is amended to read:

Subd. 2. **Change in health plans.** (a) If an enrollee is subject to a change in health plans, the enrollee's new health plan company must provide, upon request, authorization to receive services that are otherwise covered under the terms of the new health plan through the enrollee's current provider:

(1) for up to 120 days if the enrollee is engaged in a current course of treatment for one or more of the following conditions:

(i) an acute condition;

(ii) a life-threatening mental or physical illness;

(iii) pregnancy ~~beyond the first trimester of pregnancy~~;

(iv) a physical or mental disability defined as an inability to engage in one or more major life activities, provided that the disability has lasted or can be expected to last for at least one year, or can be expected to result in death; or

(v) a disabling or chronic condition that is in an acute phase; or

(2) for the rest of the enrollee's life if a physician certifies that the enrollee has an expected lifetime of 180 days or less.

For all requests for authorization under this paragraph, the health plan company must grant the request for authorization unless the enrollee does not meet the criteria provided in this paragraph.

(b) The health plan company shall prepare a written plan that provides a process for coverage determinations regarding continuity of care of up to 120 days for new enrollees who request continuity of care with their former provider, if the new enrollee:

(1) is receiving culturally appropriate services and the health plan company does not have a provider in its preferred provider network with special expertise in the delivery of those culturally appropriate services within the time and distance requirements of section 62D.124, subdivision 1; or

(2) does not speak English and the health plan company does not have a provider in its preferred provider network who can communicate with the enrollee, either directly or through an interpreter, within the time and distance requirements of section 62D.124, subdivision 1.

The written plan must explain the criteria that will be used to determine whether a need for continuity of care exists and how it will be provided.

(c) This subdivision applies only to group coverage and continuation and conversion coverage, and applies only to changes in health plans made by the employer.

Sec. 6. Minnesota Statutes 2020, section 62Q.73, subdivision 7, is amended to read:

Subd. 7. **Standards of review.** (a) For an external review of any issue in an adverse determination that does not require a medical necessity determination, the external review must be based on whether the adverse determination was in compliance with the enrollee's health benefit plan and any applicable state and federal law.

(b) For an external review of any issue in an adverse determination by a health plan company licensed under chapter 62D that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in Minnesota Rules, part 4685.0100, subpart 9b.

(c) For an external review of any issue in an adverse determination by a health plan company, other than a health plan company licensed under chapter 62D, that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in section 62Q.53, subdivision 2.

(d) For an external review of an adverse determination involving experimental or investigational treatment, the external review entity must base its decision on all documents submitted by the health plan company and enrollee, including medical records, the attending physician, advanced practice registered nurse, or health care professional's recommendation, consulting reports from health care professionals, the terms of coverage, federal Food and Drug Administration approval, and medical or scientific evidence or evidence-based standards.

Sec. 7. Minnesota Statutes 2020, section 62U.04, is amended by adding a subdivision to read:

Subd. 5b. **Non-claims-based payments.** (a) Beginning in 2024, all health plan companies and third-party administrators shall submit to a private entity designated by the commissioner of health all non-claims-based payments made to health care providers. The data shall be submitted in a form, manner, and frequency specified by the commissioner. Non-claims-based payments are payments to health care providers designed to pay for value of health care services over volume of health care services and include alternative payment models or incentives, payments for infrastructure expenditures or investments, and payments for workforce expenditures or investments. Non-claims-based payments submitted under this subdivision must, to the extent possible, be attributed to a health care provider in the same manner in which claims-based data are attributed to a health care provider and, where appropriate, must be combined with data collected under subdivisions 4 and 5 in analyses of health care spending.

(b) Data collected under this subdivision are nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data maintained by the commissioner.

(c) The commissioner shall consult with health plan companies, hospitals, and health care providers in developing the data reported under this subdivision and standardized reporting forms.

Sec. 8. Minnesota Statutes 2020, section 62U.04, subdivision 11, is amended to read:

Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 ~~and~~, 5, and 5b for the following purposes:

(1) to evaluate the performance of the health care home program as authorized under section 62U.03, subdivision 7;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations;

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities; and

(5) to compile one or more public use files of summary data or tables that must:

(i) be available to the public for no or minimal cost by March 1, 2016, and available by web-based electronic data download by June 30, 2019;

(ii) not identify individual patients, payers, or providers;

(iii) be updated by the commissioner, at least annually, with the most current data available;

(iv) contain clear and conspicuous explanations of the characteristics of the data, such as the dates of the data contained in the files, the absence of costs of care for uninsured patients or nonresidents, and other disclaimers that provide appropriate context; and

(v) not lead to the collection of additional data elements beyond what is authorized under this section as of June 30, 2015.

(b) The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned.

(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.

~~(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2023.~~

~~(e)~~ (d) The commissioner shall consult with the all-payer claims database work group established under subdivision 12 regarding the technical considerations necessary to create the public use files of summary data described in paragraph (a), clause (5).

Sec. 9. Minnesota Statutes 2020, section 62U.10, subdivision 7, is amended to read:

Subd. 7. **Outcomes reporting; savings determination.** (a) ~~Beginning November 1, 2016, and~~ Each November 1 ~~thereafter~~, the commissioner of health shall determine the actual total private and public health care and long-term care spending for Minnesota residents related to each health indicator projected in subdivision 6 for the most recent calendar year available. The commissioner shall determine the difference between the projected and actual spending for each health indicator and for each year, and determine the savings attributable to changes in these health indicators. The assumptions and research methods used to calculate actual spending must be determined to be appropriate by an independent actuarial consultant. If the actual spending is less than the projected spending, the commissioner, in consultation with the commissioners of human services and management and budget, shall use the proportion of spending for state-administered health care programs to total private and public health care spending for each health indicator for the calendar year two years before the current calendar year to determine the percentage of the calculated aggregate savings amount accruing to state-administered health care programs.

(b) The commissioner may use the data submitted under section 62U.04, subdivisions 4 ~~and~~, 5, and 5b, to complete the activities required under this section, but may only report publicly on regional data aggregated to granularity of 25,000 lives or greater for this purpose.

Sec. 10. **[115.7411] ADVISORY COUNCIL ON WATER SUPPLY SYSTEMS AND WASTEWATER TREATMENT FACILITIES.**

Subdivision 1. **Purpose; membership.** The advisory council on water supply systems and wastewater treatment facilities shall advise the commissioners of health and the Pollution Control Agency regarding classification of water supply systems and wastewater treatment facilities, qualifications and competency evaluation of water supply system operators and wastewater treatment facility operators, and additional laws, rules, and procedures that may be desirable for regulating the operation of water supply systems and of wastewater treatment facilities. The advisory council is composed of 11 voting members, of whom:

(1) one member must be from the Department of Health, Division of Environmental Health, appointed by the commissioner of health;

(2) one member must be from the Pollution Control Agency, appointed by the commissioner of the Pollution Control Agency;

(3) three members must be certified water supply system operators, appointed by the commissioner of health, one of whom must represent a nonmunicipal community or nontransient noncommunity water supply system;

(4) three members must be certified wastewater treatment facility operators, appointed by the commissioner of the Pollution Control Agency;

(5) one member must be a representative from an organization representing municipalities, appointed by the commissioner of health with the concurrence of the commissioner of the Pollution Control Agency; and

(6) two members must be members of the public who are not associated with water supply systems or wastewater treatment facilities. One must be appointed by the commissioner of health and the other by the commissioner of the Pollution Control Agency. Consideration should be given to one of these members being a representative of academia knowledgeable in water or wastewater matters.

Subd. 2. **Geographic representation.** At least one of the water supply system operators and at least one of the wastewater treatment facility operators must be from outside the seven-county metropolitan area, and one wastewater treatment facility operator must be from the Metropolitan Council.

Subd. 3. **Terms; compensation.** The terms of the appointed members and the compensation and removal of all members are governed by section 15.059.

Subd. 4. **Officers.** When new members are appointed to the council, a chair must be elected at the next council meeting. The Department of Health representative shall serve as secretary of the council.

Sec. 11. Minnesota Statutes 2020, section 144.122, is amended to read:

144.122 LICENSE, PERMIT, AND SURVEY FEES.

(a) The state commissioner of health, by rule, may prescribe procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the Department of Management and Budget. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the state government special revenue fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(c) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with disabilities program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(d) The commissioner shall set license fees for hospitals and nursing homes that are not boarding care homes at the following levels:

Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and American Osteopathic Association (AOA) hospitals	$7,655 plus $16 per bed
Non-JCAHO and non-AOA hospitals	$5,280 plus $250 per bed
Nursing home	$183 plus $91 per bed until June 30, 2018. $183 plus $100 per bed between July 1, 2018, and June 30, 2020. $183 plus $105 per bed beginning July 1, 2020.

The commissioner shall set license fees for outpatient surgical centers, boarding care homes, supervised living facilities, assisted living facilities, and assisted living facilities with dementia care at the following levels:

Outpatient surgical centers	$3,712
Boarding care homes	$183 plus $91 per bed
Supervised living facilities	$183 plus $91 per bed.
Assisted living facilities with dementia care	$3,000 plus $100 per resident.
Assisted living facilities	$2,000 plus $75 per resident.

Fees collected under this paragraph are nonrefundable. The fees are nonrefundable even if received before July 1, 2017, for licenses or registrations being issued effective July 1, 2017, or later.

(e) Unless prohibited by federal law, the commissioner of health shall charge applicants the following fees to cover the cost of any initial certification surveys required to determine a provider's eligibility to participate in the Medicare or Medicaid program:

Prospective payment surveys for hospitals	$900
Swing bed surveys for nursing homes	$1,200
Psychiatric hospitals	$1,400
Rural health facilities	$1,100
Portable x-ray providers	$500
Home health agencies	$1,800
Outpatient therapy agencies	$800
End stage renal dialysis providers	$2,100
Independent therapists	$800
Comprehensive rehabilitation outpatient facilities	$1,200
Hospice providers	$1,700
Ambulatory surgical providers	$1,800
Hospitals	$4,200
Other provider categories or additional resurveys required to complete initial certification	Actual surveyor costs: average surveyor cost x number of hours for the survey process.

These fees shall be submitted at the time of the application for federal certification and shall not be refunded. All fees collected after the date that the imposition of fees is not prohibited by federal law shall be deposited in the state treasury and credited to the state government special revenue fund.

(f) Notwithstanding section 16A.1283, the commissioner may adjust the fees assessed on assisted living facilities and assisted living facilities with dementia care under paragraph (d), in a revenue-neutral manner in accordance with the requirements of this paragraph:

(1) a facility seeking to renew a license shall pay a renewal fee in an amount that is up to ten percent lower than the applicable fee in paragraph (d) if residents who receive home and community-based waiver services under chapter 256S and section 256B.49 comprise more than 50 percent of the facility's capacity in the calendar year prior to the year in which the renewal application is submitted; and

(2) a facility seeking to renew a license shall pay a renewal fee in an amount that is up to ten percent higher than the applicable fee in paragraph (d) if residents who receive home and community-based waiver services under chapter 256S and section 256B.49 comprise less than 50 percent of the facility's capacity during the calendar year prior to the year in which the renewal application is submitted.

The commissioner may annually adjust the percentages in clauses (1) and (2), to ensure this paragraph is implemented in a revenue-neutral manner. The commissioner shall develop a method for determining capacity thresholds in this paragraph in consultation with the commissioner of human services and must coordinate the administration of this paragraph with the commissioner of human services for purposes of verification.

(g) The commissioner shall charge hospitals an annual licensing base fee of $1,150 per hospital, plus an additional $15 per licensed bed/bassinet fee. Revenue shall be deposited to the state government special revenue fund and credited toward trauma hospital designations under sections 144.605 and 144.6071.

Sec. 12. Minnesota Statutes 2021 Supplement, section 144.1501, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Acupuncture practitioner" means an individual licensed to practice acupuncture under chapter 147B.

~~(b)~~ (c) "Advanced dental therapist" means an individual who is licensed as a dental therapist under section 150A.06, and who is certified as an advanced dental therapist under section 150A.106.

(d) "Advanced practice provider" means a nurse practitioner, nurse-midwife, nurse anesthetist, clinical nurse specialist, or physician assistant.

~~(c)~~ (e) "Alcohol and drug counselor" means an individual who is licensed as an alcohol and drug counselor under chapter 148F.

~~(d)~~ (f) "Dental therapist" means an individual who is licensed as a dental therapist under section 150A.06.

~~(e)~~ (g) "Dentist" means an individual who is licensed to practice dentistry.

~~(f)~~ (h) "Designated rural area" means a statutory and home rule charter city or township that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

~~(g)~~ (i) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

~~(h)~~ (j) "Mental health professional" means an individual providing clinical services in the treatment of mental illness who is qualified in at least one of the ways specified in section 245.462, subdivision 18.

~~(i)~~ (k) "Medical resident" means an individual participating in a medical residency in family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(j) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.~~

~~(k)~~ (l) "Nurse" means an individual who has completed training and received all licensing or certification necessary to perform duties as a licensed practical nurse or registered nurse.

~~(l)~~ (m) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives.

~~(m)~~ (n) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse practitioners.

~~(n)~~ (o) "Pharmacist" means an individual with a valid license issued under chapter 151.

~~(o)~~ (p) "Physician" means an individual who is licensed to practice medicine in the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(p)~~ (q) "Physician assistant" means a person licensed under chapter 147A.

(r) "Public health employee" means an individual working in a local, Tribal, or state public health department.

~~(q)~~ (s) "Public health nurse" means a registered nurse licensed in Minnesota who has obtained a registration certificate as a public health nurse from the Board of Nursing in accordance with Minnesota Rules, chapter 6316.

~~(r)~~ (t) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

(u) "Underserved patient population" means patients who are state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51c.303.

~~(s)~~ (v) "Underserved urban community" means a Minnesota urban area or population included in the list of designated primary medical care health professional shortage areas (HPSAs), medically underserved areas (MUAs), or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Sec. 13. Minnesota Statutes 2021 Supplement, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents, mental health professionals, and alcohol and drug counselors agreeing to practice in designated rural areas or in underserved urban communities, or agreeing to provide at least 25 percent of the provider's yearly patient encounters to patients in an underserved patient population, or specializing in the area of pediatric psychiatry;

(2) for ~~midlevel practitioners~~ advanced practice providers agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; an intermediate care facility for persons with developmental disability; a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; a housing with services establishment as defined in section 144D.01, subdivision 4; a school district or charter school; or for a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, acupuncture practitioners, and public health nurses who agree to practice in designated rural areas; ~~and~~

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to ~~state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.~~ patients in an underserved patient population;

(7) for mental health professionals agreeing to provide up to 768 hours per year of clinical supervision in their designated field; and

(8) for public health employees serving in a local, Tribal, or state public health department in an area of high need as determined by the commissioner.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 14. Minnesota Statutes 2021 Supplement, section 144.1501, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a medical or dental resident; a licensed pharmacist; or be enrolled in a training or education program to become a dentist, dental therapist, advanced dental therapist, mental health professional, alcohol and drug counselor, pharmacist, public health employee, public health nurse, ~~midlevel practitioner~~ advanced practice provider, acupuncture practitioner, registered nurse, or a licensed practical nurse. The commissioner may also consider applications submitted by graduates in eligible professions who are licensed and in practice; and

(2) submit an application to the commissioner of health.

(b) Except as provided in paragraph (c), an applicant selected to participate must sign a contract to agree to serve a minimum three-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training, with the exception of a nurse, who must agree to serve a minimum two-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training.

(c) An applicant selected to participate who is a public health employee is eligible for loan forgiveness within three years after completion of required training. An applicant selected to participate who is a nurse and who agrees to teach according to subdivision 2, paragraph (a), clause (3), must sign a contract to agree to teach for a minimum of two years.

Sec. 15. Minnesota Statutes 2020, section 144.1501, subdivision 4, is amended to read:

Subd. 4. **Loan forgiveness.** (a) The commissioner of health may select applicants each year for participation in the loan forgiveness program, within the limits of available funding. For public health employees, available funds are limited to the appropriations funded in fiscal year 2022. In considering applications from applicants who are mental health professionals, the commissioner shall give preference to applicants who work in rural or culturally specific organizations. In considering applications from all other applicants, the commissioner shall give preference to applicants who document diverse cultural competencies. Except as provided in paragraph (b), the commissioner shall distribute available funds for loan forgiveness proportionally among the eligible professions according to the vacancy rate for each profession in the required geographic area, facility type, teaching area, patient group, or specialty type specified in subdivision 2. The commissioner shall allocate funds for physician loan forgiveness so that 75 percent of the funds available are used for rural physician loan forgiveness and 25 percent of the funds available are used for underserved urban communities, physicians agreeing to provide at least 25 percent of the physician's yearly patient encounters to patients in an underserved patient population, and pediatric psychiatry loan forgiveness. If the commissioner does not receive enough qualified applicants each year to use the entire allocation of funds for any eligible profession, the remaining funds may be allocated proportionally among the other eligible professions according to the vacancy rate for each profession in the required geographic area, patient group, or facility type specified in subdivision 2. Applicants are responsible for securing their own qualified educational loans. The commissioner shall select participants based on their suitability for practice serving the required geographic area or facility type specified in subdivision 2, as indicated by experience or training. The commissioner shall give preference to applicants closest to completing their training. Except as specified in paragraph (c), for each year that a participant meets the service obligation required under subdivision 3, up to a maximum of four years, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average educational debt for indebted graduates in their profession in the year closest to the applicant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans. Before receiving loan repayment disbursements and as requested, the participant must complete and return to the commissioner a confirmation of practice form provided by the commissioner verifying that the participant is practicing as required under subdivisions 2 and 3. The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made. Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2.

(b) The commissioner shall distribute available funds for loan forgiveness for public health employees according to areas of high need as determined by the commissioner.

(c) For each year that a participant who is a nurse and who has agreed to teach according to subdivision 2 meets the teaching obligation required in subdivision 3, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average annual educational debt for indebted graduates in the nursing profession in the year closest to the participant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans.

Sec. 16. Minnesota Statutes 2020, section 144.1503, is amended to read:

144.1503 HOME AND COMMUNITY-BASED SERVICES EMPLOYEE SCHOLARSHIP AND LOAN FORGIVENESS PROGRAM.

Subdivision 1. **Creation.** The home and community-based services employee scholarship and loan forgiveness grant program is established ~~for the purpose of assisting~~ to assist qualified provider applicants ~~to fund~~ in funding employee scholarships and qualified educational loan repayments for education, training, field experience, and examinations in nursing ~~and~~, other health care fields, and licensure as an assisted living director under section 144A.20, subdivision 4.

Subd. 1a. **Definition.** For purposes of this section, "qualified educational loan" means a government, commercial, or foundation loan secured by an employee of a qualifying provider for actual costs paid for tuition, training, and examinations; reasonable education, training, and field experience expenses; and reasonable living expenses related to the employee's graduate or undergraduate education.

Subd. 2. **Provision of grants.** The commissioner shall make grants available to qualified providers of older adult services. Grants must be used by home and community-based service providers to recruit and train staff through the establishment of an employee scholarship and loan forgiveness fund.

Subd. 3. **Eligibility.** (a) Eligible providers must primarily provide services to individuals who are 65 years of age and older in home and community-based settings, including housing with services establishments as defined in section 144D.01, subdivision 4; assisted living facilities as defined in section 144G.08, subdivision 7; adult day care as defined in section 245A.02, subdivision 2a; and home care services as defined in section 144A.43, subdivision 3.

(b) Qualifying providers must establish a home and community-based services employee scholarship and loan forgiveness program, as specified in subdivision 4. Providers that receive funding under this section must use the funds to award scholarships to, and to repay qualified educational loans of, employees who work an average of at least 16 hours per week for the provider.

Subd. 4. **Home and community-based services employee scholarship and loan forgiveness program.** Each qualifying provider under this section must propose a home and community-based services employee scholarship and loan forgiveness program. Providers must establish criteria by which funds are to be distributed among employees. At a minimum, the scholarship and loan forgiveness program must cover employee costs and repay qualified educational loans of employees related to a course of study that is expected to lead to career advancement with the provider or in the field of long-term care, including home care, care of persons with disabilities, ~~or~~ nursing, or management as a licensed assisted living director.

Subd. 5. **Participating providers.** The commissioner shall publish a request for proposals in the State Register, specifying provider eligibility requirements, criteria for a qualifying employee scholarship and loan forgiveness program, provider selection criteria, documentation required for program participation, maximum award amount, and methods of evaluation. The commissioner must publish additional requests for proposals each year in which funding is available for this purpose.

Subd. 6. **Application requirements.** Eligible providers seeking a grant shall submit an application to the commissioner. Applications must contain a complete description of the employee scholarship and loan forgiveness program being proposed by the applicant, including the need for the organization to enhance the education of its workforce, the process for determining which employees will be eligible for scholarships or loan repayment, any other sources of funding for scholarships or loan repayment, the expected degrees or credentials eligible for scholarships or loan repayment, the amount of funding sought for the scholarship and loan forgiveness program, a proposed budget detailing how funds will be spent, and plans for retaining eligible employees after completion of their scholarship or repayment of their loan.

Subd. 7. **Selection process.** The commissioner shall determine a maximum award for grants and make grant selections based on the information provided in the grant application, including the demonstrated need for an applicant provider to enhance the education of its workforce, the proposed employee scholarship and loan forgiveness selection process, the applicant's proposed budget, and other criteria as determined by the commissioner. Notwithstanding any law or rule to the contrary, funds awarded to grantees in a grant agreement do not lapse until the grant agreement expires.

Subd. 8. **Reporting requirements.** Participating providers shall submit an invoice for reimbursement and a report to the commissioner on a schedule determined by the commissioner and on a form supplied by the commissioner. The report shall include the amount spent on scholarships and loan repayment; the number of employees who received scholarships and the number of employees for whom loans were repaid; and, for each scholarship or loan forgiveness recipient, the name of the recipient, the current position of the recipient, the amount awarded or loan amount repaid, the educational institution attended, the nature of the educational program, and the expected or actual program completion date. During the grant period, the commissioner may require and collect from grant recipients other information necessary to evaluate the program.

Sec. 17. **[144.1504] HOSPITAL NURSING LOAN FORGIVENESS PROGRAM.**

Subdivision 1. **Definition.** (a) For purposes of this section, the following definitions apply.

(b) "Nurse" means an individual who is licensed as a registered nurse and who is providing direct patient care in a nonprofit hospital.

(c) "PSLF program" means the federal Public Student Loan Forgiveness program established under Code of Federal Regulations, title 34, section 685.21.

Subd. 2. **Eligibility.** (a) To be eligible to participate in the hospital nursing loan forgiveness program, a nurse must be:

(1) enrolled in the PSLF program;

(2) employed full time as a registered nurse by a nonprofit hospital that is an eligible employer under the PSLF program; and

(3) providing direct care to patients at the nonprofit hospital.

(b) An applicant for loan forgiveness must submit to the commissioner of health:

(1) a completed application on forms provided by the commissioner;

(2) proof that the applicant is enrolled in the PSLF program; and

(3) confirmation that the applicant is employed full time as a registered nurse by a nonprofit hospital and is providing direct patient care.

(c) The applicant selected to participate must sign a contract to agree to continue to provide direct patient care as a registered nurse at a nonprofit hospital for the repayment period of the participant's eligible loan under the PSLF program.

Subd. 3. **Loan forgiveness.** (a) The commissioner of health shall select applicants each year for participation in the hospital nursing loan forgiveness program, within limits of available funding. Applicants are responsible for applying for and maintaining eligibility for the PSLF program.

(b) For each year that a participant meets the eligibility requirements described in subdivision 2, the commissioner shall make an annual disbursement directly to the participant in an amount equal to the minimum loan payments required to be paid by the participant under the participant's repayment plan under the PSLF program for the previous loan year. Before receiving the annual loan repayment disbursement, the participant must complete and return to the commissioner a confirmation of practice form provided by the commissioner, verifying that the participant continues to meet the eligibility requirements under subdivision 2.

(c) The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the loan for which forgiveness is sought under the PSLF program.

Subd. 4. **Penalty for nonfulfillment.** If a participant does not fulfill the required minimum commitment of service as required under subdivision 2, or the secretary of education determines that the participant does not meet eligibility requirements for the PSLF program, the commissioner shall collect from the participant the total amount paid to the participant under the hospital nursing loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner shall deposit the money collected in the health care access fund to be credited to the health professional education loan forgiveness program account established in section 144.1501, subdivision 2. The commissioner shall allow waivers of all or part of the money owed to the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevent fulfillment of the service commitment or if the PSLF program is discontinued before the participant's service commitment is fulfilled.

Sec. 18. Minnesota Statutes 2020, section 144.1505, is amended to read:

144.1505 HEALTH PROFESSIONALS CLINICAL TRAINING EXPANSION AND RURAL AND UNDERSERVED CLINICAL ROTATIONS GRANT ~~PROGRAM~~ PROGRAMS.

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(1) "eligible advanced practice registered nurse program" means a program that is located in Minnesota and is currently accredited as a master's, doctoral, or postgraduate level advanced practice registered nurse program by the Commission on Collegiate Nursing Education or by the Accreditation Commission for Education in Nursing, or is a candidate for accreditation;

(2) "eligible dental program" means a dental residency training program that is located in Minnesota and is currently accredited by the accrediting body or is a candidate for accreditation;

~~(2)~~ (3) "eligible dental therapy program" means a dental therapy education program or advanced dental therapy education program that is located in Minnesota and is either:

(i) approved by the Board of Dentistry; or

(ii) currently accredited by the Commission on Dental Accreditation;

~~(3)~~ (4) "eligible mental health professional program" means a program that is located in Minnesota and is listed as a mental health professional program by the appropriate accrediting body for clinical social work, psychology, marriage and family therapy, or licensed professional clinical counseling, or is a candidate for accreditation;

~~(4)~~ (5) "eligible pharmacy program" means a program that is located in Minnesota and is currently accredited as a doctor of pharmacy program by the Accreditation Council on Pharmacy Education;

~~(5)~~ (6) "eligible physician assistant program" means a program that is located in Minnesota and is currently accredited as a physician assistant program by the Accreditation Review Commission on Education for the Physician Assistant, or is a candidate for accreditation;

(7) "eligible physician program" means a physician residency training program that is located in Minnesota and is currently accredited by the accrediting body or is a candidate for accreditation;

~~(6)~~ (8) "mental health professional" means an individual providing clinical services in the treatment of mental illness who meets one of the qualifications under section 245.462, subdivision 18; and

~~(7)~~ (9) "project" means a project to establish or expand clinical training for physician assistants, advanced practice registered nurses, pharmacists, physicians, dentists, dental therapists, advanced dental therapists, or mental health professionals in Minnesota.

Subd. 2. **Health professionals clinical training expansion grant program.** (a) The commissioner of health shall award health professional training site grants to eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental health professional programs to plan and implement expanded clinical training. A planning grant shall not exceed $75,000, and a training grant shall not exceed $150,000 for the first year, $100,000 for the second year, and $50,000 for the third year per program.

(b) Funds may be used for:

(1) establishing or expanding clinical training for physician assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists, and mental health professionals in Minnesota;

(2) recruitment, training, and retention of students and faculty;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship activities;

(4) travel and lodging for students;

(5) faculty, student, and preceptor salaries, incentives, or other financial support;

(6) development and implementation of cultural competency training;

(7) evaluations;

(8) training site improvements, fees, equipment, and supplies required to establish, maintain, or expand a physician assistant, advanced practice registered nurse, pharmacy, dental therapy, or mental health professional training program; and

(9) supporting clinical education in which trainees are part of a primary care team model.

Subd. 2a. **Health professional rural and underserved clinical rotations grant program.** (a) The commissioner of health shall award health professional training site grants to eligible physician, physician assistant, advanced practice registered nurse, pharmacy, dentistry, dental therapy, and mental health professional programs to augment existing clinical training programs by adding rural and underserved rotations or clinical training experiences, such as credential or certificate rural tracks or other specialized training. For physician and dentist training, the expanded training must include rotations in primary care settings such as community clinics, hospitals, health maintenance organizations, or practices in rural communities.

(b) Funds may be used for:

(1) establishing or expanding rotations and clinical trainings;

(2) recruitment, training, and retention of students and faculty;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship activities;

(4) travel and lodging for students;

(5) faculty, student, and preceptor salaries, incentives, or other financial support;

(6) development and implementation of cultural competency training;

(7) evaluations;

(8) training site improvements, fees, equipment, and supplies required to establish, maintain, or expand training programs; and

(9) supporting clinical education in which trainees are part of a primary care team model.

Subd. 3. **Applications.** Eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, ~~and~~ mental health professional, physician, and dental programs seeking a grant shall apply to the commissioner. Applications must include a description of the number of additional students who will be trained using grant funds; attestation that funding will be used to support an increase in the number of clinical training slots; a description of the problem that the proposed project will address; a description of the project, including all costs associated with the project, sources of funds for the project, detailed uses of all funds for the project, and the results expected; and a plan to maintain or operate any component included in the project after the grant period. The applicant must describe achievable objectives, a timetable, and roles and capabilities of responsible individuals in the organization. Applicants applying under subdivision 2a must also include information about the length of training and training site settings, the geographic locations of rural sites, and rural populations expected to be served.

Subd. 4. **Consideration of applications.** The commissioner shall review each application to determine whether or not the application is complete and whether the program and the project are eligible for a grant. In evaluating applications, the commissioner shall score each application based on factors including, but not limited to, the applicant's clarity and thoroughness in describing the project and the problems to be addressed, the extent to which the applicant has demonstrated that the applicant has made adequate provisions to ensure proper and efficient operation of the training program once the grant project is completed, the extent to which the proposed project is consistent with the goal of increasing access to primary care and mental health services for rural and underserved urban communities, the extent to which the proposed project incorporates team-based primary care, and project costs and use of funds.

Subd. 5. **Program oversight.** The commissioner shall determine the amount of a grant to be given to an eligible program based on the relative score of each eligible program's application and rural locations if applicable under subdivision 2b, other relevant factors discussed during the review, and the funds available to the commissioner. Appropriations made to the program do not cancel and are available until expended. During the grant period, the commissioner may require and collect from programs receiving grants any information necessary to evaluate the program.

Sec. 19. **[144.1507] PRIMARY CARE RURAL RESIDENCY TRAINING GRANT PROGRAM.**

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

(b) "Eligible program" means a program that meets the following criteria:

(1) is located in Minnesota;

(2) trains medical residents in the specialties of family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, or general surgery; and

(3) is accredited by the Accreditation Council for Graduate Medical Education or presents a credible plan to obtain accreditation.

(c) "Rural residency training program" means a residency program that utilizes local clinics and community hospitals and that provides an initial year of training in an existing accredited residency program in Minnesota. The subsequent years of the residency program are based in rural communities with specialty rotations in nearby regional medical centers.

(d) "Eligible project" means a project to establish and maintain a rural residency training program.

Subd. 2. **Rural residency training program.** (a) The commissioner of health shall award rural residency training program grants to eligible programs to plan and implement rural residency training programs. A rural residency training program grant shall not exceed $250,000 per resident per year for the first year of planning and development, and $225,000 for each of the following years.

(b) Funds may be spent to cover the costs of:

(1) planning related to establishing an accredited rural residency training program;

(2) obtaining accreditation by the Accreditation Council for Graduate Medical Education or another national body that accredits rural residency training programs;

(3) establishing new rural residency training programs;

(4) recruitment, training, and retention of new residents and faculty;

(5) travel and lodging for new residents;

(6) faculty, new resident, and preceptor salaries related to new rural residency training program;

(7) training site improvements, fees, equipment, and supplies required for new rural residency training program; and

(8) supporting clinical education in which trainees are part of a primary care team model.

Subd. 3. **Applications for rural residency training program grants.** (a) Eligible programs seeking a grant shall apply to the commissioner. Applications must include: (1) the number of new primary care rural residency training program slots planned, under development, or under contract; (2) a description of the training program, including the location of the established residency program and rural training sites; (3) a description of the project, including all costs associated with the project; (4) all sources of funds for the project; (5) detailed uses of all funds for the project; (6) the results expected; and (7) a plan to seek federal funding for graduate medical education for the site if eligible.

(b) The applicant must describe achievable objectives, a timetable, and the roles and capabilities of responsible individuals in the organization.

Subd. 4. **Consideration of grant applications.** The commissioner shall review each application to determine if the residency program application is complete, if the proposed rural residency program and residency slots are eligible for a grant, and if the program is eligible for federal graduate medical education funding, and when funding becomes available. The commissioner shall award grants to support training programs in family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, and general surgery.

Subd. 5. **Program oversight.** During the grant period, the commissioner may require and collect from grantees any information necessary to evaluate the program. Appropriations made to the program do not cancel and are available until expended.

Sec. 20. **[144.1508] MENTAL HEALTH PROVIDER SUPERVISION GRANT PROGRAM.**

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

(b) "Mental health professional" means an individual with a qualification specified in section 245I.04, subdivision 2.

(c) "Underrepresented community" has the meaning given in section 148E.010, subdivision 20.

Subd. 2. **Grant program established.** The commissioner of health shall award grants to licensed or certified mental health providers who meet the criteria in subdivision 3 to fund supervision of interns and clinical trainees who are working toward becoming a licensed mental health professional and to subsidize the costs of mental health professional licensing applications and examination fees for clinical trainees.

Subd. 3. **Eligible providers.** In order to be eligible for a grant under this section, a mental health provider must:

(1) provide at least 25 percent of the provider's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51c.303; or

(2) primarily serve persons from communities of color or underrepresented communities.

Subd. 4. **Application; grant award.** A mental health provider seeking a grant under this section must apply to the commissioner at a time and in a manner specified by the commissioner. The commissioner shall review each application to determine if the application is complete, the mental health provider is eligible for a grant, and the proposed project is an allowable use of grant funds. The commissioner shall give preference to grant applicants who work in rural or culturally specific organizations. The commissioner must determine the grant amount awarded to applicants that the commissioner determines will receive a grant.

Subd. 5. **Allowable uses of grant funds.** A mental health provider must use grant funds received under this section for one or more of the following:

(1) to pay for direct supervision hours for interns and clinical trainees, in an amount up to $7,500 per intern or clinical trainee;

(2) to establish a program to provide supervision to multiple interns or clinical trainees; or

(3) to pay mental health professional licensing application and examination fees for clinical trainees.

Subd. 6. **Program oversight.** During the grant period, the commissioner may require grant recipients to provide the commissioner with information necessary to evaluate the program.

Sec. 21. **[144.1509] MENTAL HEALTH PROFESSIONAL SCHOLARSHIP GRANT PROGRAM.**

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

(b) "Mental health professional" means an individual with a qualification specified in section 245I.04, subdivision 2.

(c) "Underrepresented community" has the meaning given in section 148E.010, subdivision 20.

Subd. 2. **Grant program established.** A mental health professional scholarship program is established to assist mental health providers in funding employee scholarships for master's level education programs in order to create a pathway to becoming a mental health professional.

Subd. 3. **Provision of grants.** The commissioner of health shall award grants to licensed or certified mental health providers who meet the criteria in subdivision 4 to provide tuition reimbursement for master's level programs and certain related costs for individuals who have worked for the mental health provider for at least the past two years in one or more of the following roles:

(1) a mental health behavioral aide who meets a qualification in section 245I.04, subdivision 16;

(2) a mental health certified family peer specialist who meets the qualifications in section 245I.04, subdivision 12;

(3) a mental health certified peer specialist who meets the qualifications in section 245I.04, subdivision 10;

(4) a mental health practitioner who meets a qualification in section 245I.04, subdivision 4;

(5) a mental health rehabilitation worker who meets the qualifications in section 245I.04, subdivision 14;

(6) an individual employed in a role in which the individual provides face-to-face client services at a mental health center or certified community behavioral health center; or

(7) a staff person who provides care or services to residents of a residential treatment facility.

Subd. 4. **Eligibility.** In order to be eligible for a grant under this section, a mental health provider must:

(1) primarily provide at least 25 percent of the provider's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51c.303; or

(2) primarily serve people from communities of color or underrepresented communities.

Subd. 5. **Request for proposals.** The commissioner must publish a request for proposals in the State Register specifying provider eligibility requirements, criteria for a qualifying employee scholarship program, provider selection criteria, documentation required for program participation, the maximum award amount, and methods of evaluation. The commissioner must publish additional requests for proposals each year in which funding is available for this purpose.

Subd. 6. **Application requirements.** An eligible provider seeking a grant under this section must submit an application to the commissioner. An application must contain a complete description of the employee scholarship program being proposed by the applicant, including the need for the mental health provider to enhance the education of its workforce, the process the mental health provider will use to determine which employees will be eligible for scholarships, any other funding sources for scholarships, the amount of funding sought for the scholarship program, a proposed budget detailing how funds will be spent, and plans to retain eligible employees after completion of the education program.

Subd. 7. **Selection process.** The commissioner shall determine a maximum award amount for grants and shall select grant recipients based on the information provided in the grant application, including the demonstrated need for the applicant provider to enhance the education of its workforce, the proposed process to select employees for scholarships, the applicant's proposed budget, and other criteria as determined by the commissioner. The commissioner shall give preference to grant applicants who work in rural or culturally specific organizations.

Subd. 8. **Grant agreements.** Notwithstanding any law or rule to the contrary, funds awarded to a grant recipient in a grant agreement do not lapse until the grant agreement expires.

Subd. 9. **Allowable uses of grant funds.** A mental health provider receiving a grant under this section must use the grant funds for one or more of the following:

(1) to provide employees with tuition reimbursement for a master's level program in a discipline that will allow the employee to qualify as a mental health professional; or

(2) for resources and supports, such as child care and transportation, that allow an employee to attend a master's level program specified in clause (1).

Subd. 10. **Reporting requirements.** A mental health provider receiving a grant under this section shall submit to the commissioner an invoice for reimbursement and a report, on a schedule determined by the commissioner and using a form supplied by the commissioner. The report must include the amount spent on scholarships; the number of employees who received scholarships; and, for each scholarship recipient, the recipient's name, current position, amount awarded, educational institution attended, name of the educational program, and expected or actual program completion date.

Sec. 22. **[144.1511] CLINICAL HEALTH CARE TRAINING.**

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

(b) "Accredited clinical training" means the clinical training provided by a medical education program that is accredited through an organization recognized by the Department of Education, the Centers for Medicare and Medicaid Services, or another national body that reviews the accrediting organizations for multiple disciplines and whose standards for recognizing accrediting organizations are reviewed and approved by the commissioner of health.

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

(d) "Clinical medical education program" means the accredited clinical training of physicians, medical students and residents, doctor of pharmacy practitioners, doctors of chiropractic, dentists, advanced practice registered nurses, clinical nurse specialists, certified registered nurse anesthetists, nurse practitioners, and certified nurse midwives, physician assistants, dental therapists and advanced dental therapists, psychologists, clinical social workers, community paramedics, community health workers, and other medical professions as determined by the commissioner.

(e) "Eligible entity" means an organization that is located in Minnesota, provides a clinical medical education experience, and hosts students, residents or other trainee types as determined by the commissioner and are from an accredited Minnesota teaching program and institution.

(f) "Teaching institution" means a hospital, medical center, clinic, or other organization that conducts a clinical medical education program in Minnesota and which is accountable to the accrediting body.

(g) "Trainee" means a student, resident, fellow, or other postgraduate involved in a clinical medical education program from an accredited Minnesota teaching program and institution.

(h) "Eligible trainee FTEs" means the number of trainees, as measured by full-time equivalent counts, that are training in Minnesota at an entity with either currently active medical assistance enrollment status and a National Provider Identification (NPI) number or documentation that they provide sliding fee services. Training may occur in an inpatient or ambulatory patient care setting or alternative setting as determined by the commissioner. Training that occurs in nursing facility settings is not eligible for funding under this section.

Subd. 2. **Application process.** (a) An eligible entity hosting clinical trainees from a clinical medical education program and teaching institution is eligible for funds under subdivision 3 if the entity:

(1) is funded in part by sliding fee scale services or enrolled in the Minnesota health care program;

(2) faces increased financial pressure as a result of competition with nonteaching patient care entities; and

(3) emphasizes primary care or specialties that are in undersupply in rural or underserved areas of Minnesota.

(b) An entity hosting a clinical medical education program for advanced practice nursing is eligible for funds under subdivision 3 if the program meets the eligibility requirements in paragraph (a) and is sponsored by the University of Minnesota Academic Health Center, the Mayo Foundation, or an institution that is part of the Minnesota State Colleges and Universities system or a member of the Minnesota Private College Council.

(c) An application must be submitted to the commissioner by an eligible entity or teaching institution and contain the following information:

(1) the official name and address and the site address of the clinical medical education program where eligible trainees are hosted;

(2) the name, title, and business address of those persons responsible for administering the funds; and

(3) for each applicant: (i) the type and specialty orientation of trainees in the program; (ii) the name, entity address, and medical assistance provider number and national provider identification number of each training site used in the program, as appropriate; (iii) the federal tax identification number of each training site, where available; (iv) the total number of trainees at each training site; (v) the total number of eligible trainee FTEs at each site; and (vi) other supporting information the commissioner deems necessary.

(d) An applicant that does not provide information requested by the commissioner shall not be eligible for funds for the current funding cycle.

Subd. 3. **Distribution of funds.** (a) The commissioner may distribute funds for clinical training in areas of Minnesota and for professions listed in subdivision 1, paragraph (d) determined by the commissioner as a high need area and profession shortage. The commissioner shall annually distribute medical education funds to qualifying applicants under this section based on costs to train, service level needs, and profession or training site shortages. Use of funds is limited to related clinical training costs for eligible programs.

(b) To ensure the quality of clinical training, eligible entities must demonstrate that they hold contracts in good standing with eligible educational institutions that specify the terms, expectations, and outcomes of the clinical training conducted at sites. Funds shall be distributed in an administrative process determined by the commissioner to be efficient.

Subd. 4. **Report.** (a) Teaching institutions receiving funds under this section must sign and submit a medical education grant verification report (GVR) to verify that the correct grant amount was forwarded to each eligible entity. If the teaching institution fails to submit the GVR by the stated deadline, or to request and meet the deadline for an extension, the sponsoring institution is required to return the full amount of funds received to the commissioner within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.

(b) Teaching institutions receiving funds under this section must provide any other information the commissioner deems appropriate to evaluate the effectiveness of the use of funds for medical education.

Sec. 23. Minnesota Statutes 2020, section 144.1911, subdivision 4, is amended to read:

Subd. 4. **Career guidance and support services.** ~~(a)~~ The commissioner shall award grants to eligible nonprofit organizations and eligible postsecondary educational institutions, including the University of Minnesota, to provide career guidance and support services to immigrant international medical graduates seeking to enter the Minnesota health workforce. Eligible grant activities include the following:

(1) educational and career navigation, including information on training and licensing requirements for physician and nonphysician health care professions, and guidance in determining which pathway is best suited for an individual international medical graduate based on the graduate's skills, experience, resources, and interests;

(2) support in becoming proficient in medical English;

(3) support in becoming proficient in the use of information technology, including computer skills and use of electronic health record technology;

(4) support for increasing knowledge of and familiarity with the United States health care system;

(5) support for other foundational skills identified by the commissioner;

(6) support for immigrant international medical graduates in becoming certified by the Educational Commission on Foreign Medical Graduates, including help with preparation for required licensing examinations and financial assistance for fees; and

(7) assistance to international medical graduates in registering with the program's Minnesota international medical graduate roster.

~~(b) The commissioner shall award the initial grants under this subdivision by December 31, 2015.~~

Sec. 24. **[144.2182] CHANGE OF SEX.**

Subdivision 1. **Request to make change.** A person whose birth is registered in Minnesota may request that the commissioner change or remove the sex, if any, assigned to that person on the person's original birth certificate. If the person is a minor, a parent or guardian may make the request on behalf of the minor.

Subd. 2. **Documentation required.** A person making a request under this section must submit any forms or fees required by the commissioner and provide acceptable documentation to satisfy to the commissioner that granting the request will not harm the integrity and accuracy of vital records. Acceptable documentation includes but is not limited to:

(1) a written statement from a provider of medical services that the requested change is appropriate in their medical opinion;

(2) a certified copy of a court order from a court of competent jurisdiction in this or another state granting the requested change; or

(3) a sworn statement provided by the person who is the subject of the birth certificate, or by the parent or guardian of the minor who is the subject of the birth certificate, that the request is not based upon an intent to defraud or mislead and is made in good faith and, if the subject is a minor, that the change is in the minor's best interest.

Subd. 3. **Court orders.** A person may file a petition in district court to change or remove the sex assigned on their original birth certificate. If the person is a minor, a parent or guardian may file a petition on behalf of the minor. The court shall consider petitions filed by persons over whom the court has jurisdiction for an order granting a change of sex on an original birth certificate irrespective of the jurisdiction in which the original birth certificate was issued. The court shall issue an order under this section upon a finding that the request is not based upon an intent to defraud or mislead and is made in good faith and, if the subject of the birth certificate is a minor, that the change is in the minor's best interest.

Subd. 4. **Records sealed.** When the commissioner has received the necessary information and made the requested change on the birth certificate, the commissioner shall provide a certified copy of the corrected birth certificate to the person requesting the change. Upon issuance of a corrected birth certificate under this section, the original record of birth shall be classified as confidential data pursuant to section 13.02, subdivision 3, and shall not be disclosed except pursuant to court order or section 144.2252.

Sec. 25. Minnesota Statutes 2020, section 144.383, is amended to read:

144.383 AUTHORITY OF COMMISSIONER; SAFE DRINKING WATER.

In order to ~~insure~~ ensure safe drinking water in all public water supplies, the commissioner has the ~~following powers~~ power to:

~~(a) To~~ (1) approve the site, design, and construction and alteration of all public water supplies and, for community and nontransient noncommunity water systems as defined in Code of Federal Regulations, title 40, section 141.2, to approve documentation that demonstrates the technical, managerial, and financial capacity of those systems to comply with rules adopted under this section;

~~(b) To~~ (2) enter the premises of a public water supply, or part thereof, to inspect the facilities and records kept pursuant to rules promulgated by the commissioner, to conduct sanitary surveys and investigate the standard of operation and service delivered by public water supplies;

~~(c) To~~ (3) contract with community health boards as defined in section 145A.02, subdivision 5, for routine surveys, inspections, and testing of public water supply quality;

~~(d) To~~ (4) develop an emergency plan to protect the public when a decline in water quality or quantity creates a serious health risk, and to issue emergency orders if a health risk is imminent;

~~(e) To~~ (5) promulgate rules, pursuant to chapter 14 but no less stringent than federal regulation, which may include the granting of variances and exemptions~~.~~; and

(6) maintain a database of lead service lines, provide technical assistance to community water systems, and ensure the lead service inventory data is accessible to the public with relevant educational materials about health risks related to lead and ways to reduce exposure.

Sec. 26. Minnesota Statutes 2020, section 144.554, is amended to read:

144.554 HEALTH FACILITIES CONSTRUCTION PLAN SUBMITTAL AND FEES.

For hospitals, nursing homes, boarding care homes, residential hospices, supervised living facilities, freestanding outpatient surgical centers, and end-stage renal disease facilities, the commissioner shall collect a fee for the review and approval of architectural, mechanical, and electrical plans and specifications submitted before construction begins for each project relative to construction of new buildings, additions to existing buildings, or remodeling or alterations of existing buildings. All fees collected in this section shall be deposited in the state treasury and credited to the state government special revenue fund. Fees must be paid at the time of submission of final plans for review and are not refundable. The fee is calculated as follows:

Construction project total estimated cost	Fee
$0 - $10,000	~~$30~~ $45
$10,001 - $50,000	~~$150~~ $225
$50,001 - $100,000	~~$300~~ $450
$100,001 - $150,000	~~$450~~ $675
$150,001 - $200,000	~~$600~~ $900
$200,001 - $250,000	~~$750~~ $1,125
$250,001 - $300,000	~~$900~~ $1,350
$300,001 - $350,000	~~$1,050~~ $1,575
$350,001 - $400,000	~~$1,200~~ $1,800
$400,001 - $450,000	~~$1,350~~ $2,025
$450,001 - $500,000	~~$1,500~~ $2,250
$500,001 - $550,000	~~$1,650~~ $2,475
$550,001 - $600,000	~~$1,800~~ $2,700
$600,001 - $650,000	~~$1,950~~ $2,925
$650,001 - $700,000	~~$2,100~~ $3,150
$700,001 - $750,000	~~$2,250~~ $3,375
$750,001 - $800,000	~~$2,400~~ $3,600
$800,001 - $850,000	~~$2,550~~ $3,825
$850,001 - $900,000	~~$2,700~~ $4,050
$900,001 - $950,000	~~$2,850~~ $4,275
$950,001 - $1,000,000	~~$3,000~~ $4,500
$1,000,001 - $1,050,000	~~$3,150~~ $4,725
$1,050,001 - $1,100,000	~~$3,300~~ $4,950
$1,100,001 - $1,150,000	~~$3,450~~ $5,175
$1,150,001 - $1,200,000	~~$3,600~~ $5,400

$1,200,001 - $1,250,000	~~$3,750~~ $5,625
$1,250,001 - $1,300,000	~~$3,900~~ $5,850
$1,300,001 - $1,350,000	~~$4,050~~ $6,075
$1,350,001 - $1,400,000	~~$4,200~~ $6,300
$1,400,001 - $1,450,000	~~$4,350~~ $6,525
$1,450,001 - $1,500,000	~~$4,500~~ $6,750
$1,500,001 and over	~~$4,800~~ $7,200

Sec. 27. **[144.7051] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of sections 144.7051 to 144.7059, the terms defined in this section have the meanings given.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of health.

Subd. 3. **Daily staffing schedule.** "Daily staffing schedule" means the actual number of full-time equivalent nonmanagerial care staff assigned to an inpatient care unit and providing care in that unit during a 24-hour period and the actual number of patients assigned to each direct care registered nurse present and providing care in the unit.

Subd. 4. **Direct care registered nurse.** "Direct care registered nurse" means a registered nurse, as defined in section 148.171, subdivision 20, who is nonsupervisory and nonmanagerial and who directly provides nursing care to patients more than 60 percent of the time.

Subd. 5. **Hospital.** "Hospital" means any setting that is licensed as a hospital under sections 144.50 to 144.56.

EFFECTIVE DATE. This section is effective April 1, 2024.

Sec. 28. **[144.7053] HOSPITAL NURSE STAFFING COMMITTEES.**

Subdivision 1. **Hospital nurse staffing committee required.** Each hospital must establish and maintain a functioning hospital nurse staffing committee. A hospital may assign the functions and duties of a hospital nurse staffing committee to an existing committee, provided the existing committee meets the membership requirements applicable to a hospital nurse staffing committee.

Subd. 2. **Committee membership.** (a) At least 35 percent of the committee's membership must be direct care registered nurses typically assigned to a specific unit for an entire shift, and at least 15 percent of the committee's membership must be other direct care workers typically assigned to a specific unit for an entire shift. Direct care registered nurses and other direct care workers who are members of a collective bargaining unit shall be appointed or elected to the committee according to the guidelines of the applicable collective bargaining agreement. If there is no collective bargaining agreement, direct care registered nurses shall be elected to the committee by direct care registered nurses employed by the hospital, and other direct care workers shall be elected to the committee by other direct care workers employed by the hospital.

(b) The hospital shall appoint no more than 50 percent of the committee's membership.

Subd. 3. **Compensation.** A hospital must treat participation in committee meetings by any hospital employee as scheduled work time and compensate each committee member at the employee's existing rate of pay. A hospital must relieve all direct care registered nurse members of the hospital nurse staffing committee of other work duties during the times at which the committee meets.

Subd. 4. **Meeting frequency.** Each hospital nurse staffing committee must meet at least quarterly.

Subd. 5. **Committee duties.** (a) Each hospital nurse staffing committee shall create, implement, continuously evaluate, and update as needed evidence-based written core staffing plans to guide the creation of daily staffing schedules for each inpatient care unit of the hospital.

(b) Each hospital nurse staffing committee must:

(1) establish a secure and anonymous method for any hospital employee or patient to submit directly to the committee any concerns related to safe staffing;

(2) review each concern related to safe staffing submitted directly to the committee;

(3) review the documentation of compliance maintained by the hospital under section 144.7056, subdivision 5;

(4) conduct a trend analysis of the data related to all reported concerns regarding safe staffing;

(5) develop a mechanism for tracking and analyzing staffing trends within the hospital;

(6) submit to the commissioner a nurse staffing report; and

(7) record in the committee minutes for each meeting a summary of the discussions and recommendations of the committee. Each committee must maintain the minutes, records, and distributed materials for five years.

EFFECTIVE DATE. This section is effective April 1, 2024.

Sec. 29. Minnesota Statutes 2020, section 144.7055, is amended to read:

144.7055 HOSPITAL CORE STAFFING PLAN ~~REPORTS~~.

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

~~(b)~~ (a) "Core staffing plan" means ~~the projected number of full-time equivalent nonmanagerial care staff that will be assigned in a 24-hour period to an inpatient care unit~~ a plan described in subdivision 2.

~~(c)~~ (b) "Nonmanagerial care staff" means registered nurses, licensed practical nurses, and other health care workers, which may include but is not limited to nursing assistants, nursing aides, patient care technicians, and patient care assistants, who perform nonmanagerial direct patient care functions for more than 50 percent of their scheduled hours on a given patient care unit.

~~(d)~~ (c) "Inpatient care unit" or "unit" means a designated inpatient area for assigning patients and staff for which a ~~distinct staffing plan~~ daily staffing schedule exists and that operates 24 hours per day, seven days per week in a hospital setting. Inpatient care unit does not include any hospital-based clinic, long-term care facility, or outpatient hospital department.

~~(e)~~ (d) "Staffing hours per patient day" means the number of full-time equivalent nonmanagerial care staff who will ordinarily be assigned to provide direct patient care divided by the expected average number of patients upon which such assignments are based.

~~(f) "Patient acuity tool" means a system for measuring an individual patient's need for nursing care. This includes utilizing a professional registered nursing assessment of patient condition to assess staffing need.~~

Subd. 2. **Hospital core staffing ~~report~~ plans.** (a) The ~~chief nursing executive or nursing designee~~ hospital nurse staffing committee of every ~~reporting~~ hospital ~~in Minnesota under section 144.50 will~~ must develop a core staffing plan for each ~~patient~~ inpatient care unit.

(b) Core staffing plans ~~shall~~ must specify all of the following:

(1) the projected number of full-time equivalent ~~for~~ nonmanagerial care staff that will be assigned in a 24-hour period to each ~~patient~~ inpatient care unit ~~for each 24 hour period.~~;

(2) the maximum number of patients on each inpatient care unit for whom a direct care registered nurse can be assigned and for whom a licensed practical nurse or certified nursing assistant can typically safely care;

(3) criteria for determining when circumstances exist on each inpatient care unit such that a direct care nurse cannot safely care for the typical number of patients and when assigning a lower number of patients to each nurse on the inpatient unit would be appropriate;

(4) a procedure for each inpatient care unit to make shift-to-shift adjustments in staffing levels when such adjustments are required by patient acuity and nursing intensity in the unit;

(5) a contingency plan for each inpatient unit to safely address circumstances in which patient care needs unexpectedly exceed the staffing resources provided for in a daily staffing schedule. A contingency plan must include a method to quickly identify for each daily staffing schedule additional direct care registered nurses who are available to provide direct care on the inpatient care unit; and

(6) strategies to enable direct care registered nurses to take breaks to which they are entitled under law or under an applicable collective bargaining agreement.

(c) Core staffing plans must ensure that:

(1) the person creating a daily staffing schedule has sufficiently detailed information to create a daily staffing schedule that meets the requirements of the plan;

(2) daily staffing nurse schedules do not rely on assigning individual nonmanagerial care staff to work overtime hours in excess of 16 hours in a 24-hour period or to work consecutive 24-hour periods requiring 16 or more hours;

(3) a direct care registered nurse is not required or expected to perform functions outside the nurse's professional license;

(4) light duty direct care registered nurses are given appropriate assignments; and

(5) daily staffing schedules do not interfere with applicable collective bargaining agreements.

Subd. 2a. **Development of hospital core staffing plans.** (a) Prior to ~~submitting~~ completing or updating the core staffing plan, ~~as required in subdivision 3, hospitals shall~~ a hospital nurse staffing committee must consult with representatives of the hospital medical staff, managerial and nonmanagerial care staff, and other relevant hospital personnel about the core staffing plan and the expected average number of patients upon which the core staffing plan is based.

(b) When developing a core staffing plan, a hospital nurse staffing committee must consider all of the following:

(1) the individual needs and expected census of each inpatient care unit;

(2) unit-specific patient acuity, including fall risk and behaviors requiring intervention, such as physical aggression toward self or others, or destruction of property;

(3) unit-specific demands on direct care registered nurses' time, including: frequency of admissions, discharges, and transfers; frequency and complexity of patient evaluations and assessments; frequency and complexity of nursing care planning; planning for patient discharge; assessing for patient referral; patient education; and implementing infectious disease protocols;

(4) the architecture and geography of the inpatient care unit, including the placement of patient rooms, treatment areas, nursing stations, medication preparation areas, and equipment;

(5) mechanisms and procedures to provide for one-to-one patient observation for patients on psychiatric or other units;

(6) the stress under which direct care nurses are placed when required to work extreme amounts of overtime, such as shifts in excess of 12 hours or multiple consecutive double shifts;

(7) the need for specialized equipment and technology on the unit;

(8) other special characteristics of the unit or community patient population, including age, cultural and linguistic diversity and needs, functional ability, communication skills, and other relevant social and socioeconomic factors;

(9) the skill mix of personnel other than direct care registered nurses providing or supporting direct patient care on the unit;

(10) mechanisms and procedures for identifying additional registered nurses who are available for direct patient care when patients' unexpected needs exceed the planned workload for direct care staff; and

(11) demands on direct care registered nurses' time not directly related to providing direct care on a unit, such as involvement in quality improvement activities, professional development, service to the hospital, including serving on the hospital nurse staffing committee, and service to the profession.

Subd. 3. **Standard electronic reporting ~~developed~~ of core staffing plans.** ~~(a) Hospitals~~ Each hospital must submit the core staffing plans approved by the hospital's nurse staffing committee to the Minnesota Hospital Association ~~by January 1, 2014~~. The Minnesota Hospital Association shall include each ~~reporting~~ hospital's core staffing ~~plan~~ plans on the Minnesota Hospital Association's Minnesota Hospital Quality Report website ~~by April 1, 2014~~ by June 1, 2024. Hospitals shall submit to the Minnesota Hospital Association any substantial ~~changes~~ updates to ~~the~~ a core staffing plan ~~shall be updated~~ within 30 days of the approval of the updates by the hospital's nurse staffing committee or of amendment through arbitration. The Minnesota Hospital Association shall update the Minnesota Hospital Quality Report website with the updated core staffing plans within 30 days of receipt of the updated plan.

Subd. 4. **Standard electronic reporting of direct patient care report.** ~~(b)~~ The Minnesota Hospital Association shall include on its website for each reporting hospital on a quarterly basis the actual direct patient care hours per patient and per unit. Hospitals must submit the direct patient care report to the Minnesota Hospital Association ~~by July 1, 2014, and~~ quarterly ~~thereafter~~.

Subd. 5. **Mandatory submission of core staffing plan to commissioner.** Each hospital must submit the core staffing plans and any updates to the commissioner on the same schedule described in subdivision 3. Core staffing plans held by the commissioner are public.

EFFECTIVE DATE. This section is effective April 1, 2024.

Sec. 30. **[144.7056] IMPLEMENTATION OF HOSPITAL CORE STAFFING PLANS.**

Subdivision 1. **Plan implementation required.** A hospital must implement the core staffing plans approved by a majority vote of the hospital nurse staffing committee.

Subd. 2. **Public posting of core staffing plans.** A hospital must post the core staffing plan for the inpatient care unit in a public area on the unit.

Subd. 3. **Public posting of compliance with plan.** For each publicly posted core staffing plan, a hospital must post a notice stating whether the current staffing on the unit complies with the hospital's core staffing plan for that unit. The public notice of compliance must include a list of the number of nonmanagerial care staff working on the unit during the current shift and the number of patients assigned to each direct care registered nurse working on the unit during the current shift. The list must enumerate the nonmanagerial care staff by health care worker type. The public notice of compliance must be posted immediately adjacent to the publicly posted core staffing plan.

Subd. 4. **Public distribution of core staffing plan and notice of compliance.** (a) A hospital must include with the posted materials described in subdivisions 2 and 3, a statement that individual copies of the posted materials are available upon request to any patient on the unit or to any visitor of a patient on the unit. The statement must include specific instructions for obtaining copies of the posted materials.

(b) A hospital must, within four hours after the request, provide individual copies of all the posted materials described in subdivisions 2 and 3 to any patient on the unit or to any visitor of a patient on the unit who requests the materials.

Subd. 5. **Documentation of compliance.** Each hospital must document compliance with its core nursing plans and maintain records demonstrating compliance for each inpatient care unit for five years. Each hospital must provide its nurse staffing committee with access to all documentation required under this subdivision.

Subd. 6. **Dispute resolution.** (a) If hospital management objects to a core staffing plan approved by a majority vote of the hospital nurse staffing committee, the hospital may elect to attempt to amend the core staffing plan through arbitration.

(b) During an ongoing dispute resolution process, a hospital must continue to implement the core staffing plan as written and approved by the hospital nurse staffing committee.

(c) If the dispute resolution process results in an amendment to the core staffing plan, the hospital must implement the amended core staffing plan.

EFFECTIVE DATE. This section is effective June 1, 2024.

Sec. 31. **[144.7059] RETALIATION PROHIBITED.**

Neither a hospital or nor a health-related licensing board may retaliate against or discipline a hospital employee regulated by the health-related licensing board, either formally or informally, for:

(1) challenging the process by which a hospital nurse staffing committee is formed or conducts its business;

(2) challenging a core staffing plan approved by a hospital nurse staffing committee;

(3) objecting to or submitting a grievance related to a patient assignment that leads to a direct care registered nurse violating medical restrictions recommended by the nurse's medical provider; or

(4) submitting a report of unsafe staffing conditions.

EFFECTIVE DATE. This section is effective April 1, 2024.

Sec. 32. **[144.8611] DRUG OVERDOSE AND SUBSTANCE ABUSE PREVENTION.**

Subdivision 1. **Strategies.** The commissioner of health shall support collaboration and coordination between state and community partners to develop, refine, and expand comprehensive funding to address the drug overdose epidemic by implementing three strategies: (1) regional multidisciplinary overdose prevention teams to implement overdose prevention in local communities and local public health organizations; (2) enhance supportive services for the homeless who are at risk of overdose by providing emergency and short-term housing subsidies through the Homeless Overdose Prevention Hub; and (3) enhance employer resources to promote health and well-being of employees through the recovery friendly workplace initiative. These strategies address the underlying social conditions that impact health status.

Subd. 2. **Regional teams.** The commissioner of health shall establish community-based prevention grants and contracts for the eight regional multidisciplinary overdose prevention teams. These teams are geographically aligned with the eight emergency medical services regions described in section 144E.52. The regional teams shall implement prevention programs, policies, and practices that are specific to the challenges and responsive to the data of the region.

Subd. 3. **Homeless Overdose Prevention Hub.** The commissioner of health shall establish a community-based grant to enhance supportive services for the homeless who are at risk of overdose by providing emergency and short-term housing subsidies through the Homeless Overdose Prevention Hub. The Homeless Overdose Prevention Hub serves primarily urban American Indians in Minneapolis and Saint Paul and is managed by the Native American Community Clinic.

Subd. 4. **Workplace health.** The commissioner of health shall establish a grants and contracts program to strengthen the recovery friendly workplace initiative. This initiative helps create work environments that promote employee health, safety, and well-being by: (1) preventing abuse and misuse of drugs in the first place; (2) providing training to employers; and (3) reducing stigma and supporting recovery for people seeking services and who are in recovery.

Subd. 5. **Eligible grantees.** (a) Organizations eligible to receive grant funding under subdivision 4 include not-for-profit agencies or organizations with existing organizational structure, capacity, trainers, facilities, and infrastructure designed to deliver model workplace policies and practices; that have training and education for employees, supervisors, and executive leadership of companies, businesses, and industry; and that have the ability to evaluate the three goals of the workplace initiative specified in subdivision 4.

(b) At least one organization may be selected for a grant under subdivision 4 with statewide reach and influence. Up to five smaller organizations may be selected to reach specific geographic or population groups.

Subd. 6. **Evaluation.** The commissioner of health shall design, conduct, and evaluate each of the components of the drug overdose and substance abuse prevention program using measures such as mortality, morbidity, homelessness, workforce wellness, employee retention, and program reach.

Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 33. Minnesota Statutes 2020, section 144.9501, subdivision 9, is amended to read:

Subd. 9. **Elevated blood lead level.** "Elevated blood lead level" means a diagnostic blood lead test with a result that is equal to or greater than ~~ten~~ 3.5 micrograms of lead per deciliter of whole blood in any person, unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 34. **[144.9981] CLIMATE RESILIENCY.**

Subdivision 1. **Climate resiliency program.** The commissioner of health shall implement a climate resiliency program to:

(1) increase awareness of climate change;

(2) track the public health impacts of climate change and extreme weather events;

(3) provide technical assistance and tools that support climate resiliency to local public health, Tribal health, soil and water conservation districts, and other local governmental and nongovernmental organizations; and

(4) coordinate with the commissioners of the pollution control agency, natural resources, agriculture and other state agencies in climate resiliency related planning and implementation.

Subd. 2. **Grants authorized; allocation.** (a) The commissioner of health shall manage a grant program for the purpose of climate resiliency planning. The commissioner shall award grants through a request for proposals process to local public health organizations, Tribal health organizations, soil and water conservation districts, or other local organizations for planning for the health impacts of extreme weather events and developing adaptation actions. Priority shall be given to small rural water systems and organizations incorporating the needs of private water supplies into their planning. Priority shall also be given to organizations that serve communities that are disproportionately impacted by climate change.

(b) Grantees must use the funds to develop a plan or implement strategies that will reduce the risk of health impacts from extreme weather events. The grant application must include:

(1) a description of the plan or project for which the grant funds will be used;

(2) a description of the pathway between the plan or project and its impacts on health;

(3) a description of the objectives, a work plan, and a timeline for implementation; and

(4) the community or group the grant proposes to focus on.

Sec. 35. **[145.361] LONG COVID; SUPPORTING SURVIVORS AND MONITORING IMPACT.**

Subdivision 1. **Definition.** For the purpose of this section, "long COVID" means health problems that people experience four or more weeks after being infected with SARS-CoV-2, the virus that causes COVID-19. Long COVID is also called post COVID, long-haul COVID, chronic COVID, post-acute COVID, or post-acute sequelae of COVID-19 (PASC).

Subd. 2. **Statewide monitoring.** The commissioner of health shall establish a program to conduct community needs assessments, perform epidemiologic studies, and establish a population-based surveillance system to address long COVID. The purpose of these assessments, studies, and surveillance system is to:

(1) monitor trends in incidence, prevalence, mortality, care management, health outcomes, quality of life, and needs of individuals with long COVID and to detect potential public health problems, predict risks, and assist in investigating long COVID health disparities;

(2) more accurately target intervention resources for communities and patients and their families;

(3) inform health professionals and citizens about risks, early detection, and treatment of long COVID known to be elevated in their communities; and

(4) promote high quality studies to provide better information for long COVID prevention and control and to address public concerns and questions about long COVID.

Subd. 3. **Partnerships.** The commissioner of health shall, in consultation with health care professionals, the Department of Human Services, local public health organizations, health insurers, employers, schools, long COVID survivors, and community organizations serving people at high risk of long COVID, routinely identify priority actions and activities to address the need for communication, services, resources, tools, strategies, and policies to support long COVID survivors and their families.

Subd. 4. **Grants and contracts.** The commissioner of health shall coordinate and collaborate with community and organizational partners to implement evidence-informed priority actions, including through community-based grants and contracts.

Subd. 5. **Grant recipient and contractor eligibility.** The commissioner of health shall award contracts and competitive grants to organizations that serve communities disproportionately impacted by COVID-19 and long COVID including but not limited to rural and low-income areas, Black and African Americans, African immigrants, American Indians, Asian American-Pacific Islanders, Latino, LGBTQ+, and persons with disabilities. Organizations may also address intersectionality within such groups.

Subd. 6. **Grants and contracts authorized.** The commissioner of health shall award grants and contracts to eligible organizations to plan, construct, and disseminate resources and information to support survivors of long COVID, their caregivers, health care providers, ancillary health care workers, workplaces, schools, communities, local and Tribal public health, and other entities deemed necessary.

Sec. 36. Minnesota Statutes 2020, section 145.56, is amended by adding a subdivision to read:

Subd. 6. **988; National Suicide Prevention Lifeline number.** The National Suicide Prevention Lifeline is expanded to improve the quality of care and access to behavioral health crisis services and to further health equity and save lives.

Sec. 37. Minnesota Statutes 2020, section 145.56, is amended by adding a subdivision to read:

Subd. 7. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "National Suicide Prevention Lifeline" means a national network of certified local crisis centers maintained by the Federal Substance Abuse and Mental Health Services Administration that provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, seven days a week.

(c) "988 Hotline" or "Lifeline Center" means a state identified center that is a member of the National Suicide Prevention Lifeline network that responds to statewide or regional 988 contacts.

(d) "988 administrator" means the administrator of the 988 National Suicide Prevention Lifeline.

(e) "Veterans Crisis Line" means the Veterans Crisis Line maintained by the Secretary of Veterans Affairs under United States Code, title 38, section 170F(h).

(f) "Department" means the Department of Health.

(g) "Commissioner" means the commissioner of health.

Sec. 38. Minnesota Statutes 2020, section 145.56, is amended by adding a subdivision to read:

Subd. 8. **988 National Suicide Prevention Lifeline.** (a) The commissioner of health shall administer the designated lifeline and oversee a Lifeline Center or a network of Lifeline Centers to answer contacts from individuals accessing the National Suicide Prevention Lifeline 24 hours per day, seven days per week.

(b) The designated Lifeline Center(s) shall:

(1) have an active agreement with the administrator of the 988 National Suicide Prevention Lifeline for participation within the network;

(2) meet the 988 administrator requirements and best practice guidelines for operational and clinical standards;

(3) provide data, report, and participate in evaluations and related quality improvement activities as required by the 988 administrator and the department;

(4) use technology that is interoperable across crisis and emergency response systems used in the state, such as 911 systems, emergency medical services, and the National Suicide Prevention Lifeline;

(5) deploy crisis and outgoing services, including mobile crisis teams in accordance with guidelines established by the 988 administrator and the department;

(6) actively collaborate with local mobile crisis teams to coordinate linkages for persons contacting the 988 Hotline for ongoing care needs;

(7) offer follow-up services to individuals accessing the Lifeline Center that are consistent with guidance established by the 988 administrator and the department; and

(8) meet the requirements set by the 988 administrator and the department for serving high risk and specialized populations.

(c) The department shall collaborate with the National Suicide Prevention Lifeline and Veterans Crisis Line networks for the purpose of ensuring consistency of public messaging about 988 services.

Sec. 39. **[145.871] UNIVERSAL, VOLUNTARY HOME VISITING PROGRAM.**

Subdivision 1. **Grant program.** (a) The commissioner of health shall award grants to eligible individuals and entities to establish voluntary home visiting services to families expecting or caring for an infant, including families adopting an infant. The following individuals and entities are eligible for a grant under this section: community health boards; nonprofit organizations; Tribal Nations; and health care providers, including doulas, community health workers, perinatal health educators, early childhood family education home visiting providers, nurses, community health technicians, and local public health nurses.

(b) The grant money awarded under this section must be used to establish home visiting services that:

(1) provide a range of one to six visits that occur prenatally or within the first four months of the expected birth or adoption of an infant; and

(2) improve outcomes in two or more of the following areas:

(i) maternal and newborn health;

(ii) school readiness and achievement;

(iii) family economic self-sufficiency;

(iv) coordination and referral for other community resources and supports;

(v) reduction in child injuries, abuse, or neglect; or

(vi) reduction in crime or domestic violence.

(c) The commissioner shall ensure that the voluntary home visiting services established under this section are available to all families residing in the state by June 30, 2025. In awarding grants prior to the home visiting services being available statewide, the commissioner shall prioritize applicants serving high-risk or high-need populations of pregnant women and families with infants, including populations with insufficient access to prenatal care, high incidence of mental illness or substance use disorder, low socioeconomic status, and other factors as determined by the commissioner.

Subd. 2. **Home visiting services.** (a) The home visiting services provided under this section must, at a minimum:

(1) offer information on infant care, child growth and development, positive parenting, preventing diseases, preventing exposure to environmental hazards, and support services in the community;

(2) provide information on and referrals to health care services, including information on and assistance in applying for health care coverage for which the child or family may be eligible, and provide information on the availability of group prenatal care, preventative services, developmental assessments, and public assistance programs as appropriate;

(3) include an assessment of the physical, social, and emotional factors affecting the family and provide information and referrals to address each family's identified needs;

(4) connect families to additional resources available in the community, including early care and education programs, health or mental health services, family literacy programs, employment agencies, and social services, as needed;

(5) utilize appropriate racial, ethnic, and cultural approaches to providing home visiting services; and

(6) be voluntary and free of charge to families.

(b) Home visiting services under this section may be provided through telephone or video communication when the commissioner determines the methods are necessary to protect the health and safety of individuals receiving the visits and the home visiting workforce.

Subd. 3. **Administrative costs.** The commissioner may use up to seven percent of the annual appropriation under this section to provide training and technical assistance, to administer the program, and to conduct ongoing evaluations of the program. The commissioner may contract for training, capacity-building support for grantees or potential grantees, technical assistance, and evaluation support.

Sec. 40. Minnesota Statutes 2020, section 145.924, is amended to read:

145.924 AIDS PREVENTION GRANTS.

(a) The commissioner may award grants to community health boards as defined in section 145A.02, subdivision 5, state agencies, state councils, or nonprofit corporations to provide evaluation and counseling services to populations at risk for acquiring human immunodeficiency virus infection, including, but not limited to, minorities, adolescents, intravenous drug users, and homosexual men.

(b) The commissioner may award grants to agencies experienced in providing services to communities of color, for the design of innovative outreach and education programs for targeted groups within the community who may be at risk of acquiring the human immunodeficiency virus infection, including intravenous drug users and their partners, adolescents, gay and bisexual individuals and women. Grants shall be awarded on a request for proposal basis and shall include funds for administrative costs. Priority for grants shall be given to agencies or organizations that have experience in providing service to the particular community which the grantee proposes to serve; that have policy makers representative of the targeted population; that have experience in dealing with issues relating to HIV/AIDS; and that have the capacity to deal effectively with persons of differing sexual orientations. For purposes of this paragraph, the "communities of color" are: the American-Indian community; the Hispanic community; the African-American community; and the Asian-Pacific community.

(c) All state grants awarded under this section for programs targeted to adolescents shall include the promotion of abstinence from sexual activity and drug use.

(d) The commissioner may manage a program and award grants to agencies experienced in syringe services programs for expanding access to harm reduction services and improving linkages to care to prevent HIV/AIDS, hepatitis, and other infectious diseases for those experiencing homelessness or housing instability.

Sec. 41. **[145.9271] COMMUNITY SOLUTIONS FOR HEALTHY CHILD DEVELOPMENT GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health shall establish the community solutions for a healthy child development grant program. The purposes of the program are to:

(1) improve child development outcomes related to the well-being of children of color and American Indian children from prenatal to grade 3 and their families, including but not limited to the goals outlined by the Department of Human Service's early childhood systems reform effort that include: early learning; health and well-being; economic security; and safe, stable, nurturing relationships and environments, by funding community-based solutions for challenges that are identified by the affected communities;

(2) reduce racial disparities in children's health and development from prenatal to grade 3; and

(3) promote racial and geographic equity.

Subd. 2. **Commissioner's duties.** The commissioner of health shall:

(1) develop a request for proposals for the healthy child development grant program in consultation with the community solutions advisory council established in subdivision 3;

(2) provide outreach, technical assistance, and program development support to increase capacity for new and existing service providers in order to better meet statewide needs, particularly in greater Minnesota and areas where services to reduce health disparities have not been established;

(3) review responses to requests for proposals, in consultation with the community solutions advisory council, and award grants under this section;

(4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council, and the Children's Cabinet on the request for proposal process;

(5) establish a transparent and objective accountability process, in consultation with the community solutions advisory council, focused on outcomes that grantees agree to achieve;

(6) provide grantees with access to data to assist grantees in establishing and implementing effective community-led solutions;

(7) maintain data on outcomes reported by grantees; and

(8) contract with an independent third-party entity to evaluate the success of the grant program and to build the evidence base for effective community solutions in reducing health disparities of children of color and American Indian children from prenatal to grade 3.

Subd. 3. **Community solutions advisory council; establishment; duties; compensation.** (a) The commissioner of health shall establish a community solutions advisory council. By October 1, 2022, the commissioner shall convene a 12-member community solutions advisory council. Members of the advisory council are:

(1) two members representing the African Heritage community;

(2) two members representing the Latino community;

(3) two members representing the Asian-Pacific Islander community;

(4) two members representing the American Indian community;

(5) two parents who are Black, indigenous, or nonwhite people of color with children under nine years of age;

(6) one member with research or academic expertise in racial equity and healthy child development; and

(7) one member representing an organization that advocates on behalf of communities of color or American Indians.

(b) At least three of the 12 members of the advisory council must come from outside the seven-county metropolitan area.

(c) The community solutions advisory council shall:

(1) advise the commissioner on the development of the request for proposals for community solutions healthy child development grants. In advising the commissioner, the council must consider how to build on the capacity of communities to promote child and family well-being and address social determinants of healthy child development;

(2) review responses to requests for proposals and advise the commissioner on the selection of grantees and grant awards;

(3) advise the commissioner on the establishment of a transparent and objective accountability process focused on outcomes the grantees agree to achieve;

(4) advise the commissioner on ongoing oversight and necessary support in the implementation of the program; and

(5) support the commissioner on other racial equity and early childhood grant efforts.

(d) Each advisory council member shall be compensated as provided in section 15.059, subdivision 3.

Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this section include:

(1) organizations or entities that work with Black, indigenous, and non-Black people of color communities;

(2) Tribal nations and Tribal organizations as defined in section 658P of the Child Care and Development Block Grant Act of 1990; and

(3) organizations or entities focused on supporting healthy child development.

Subd. 5. **Strategic consideration and priority of proposals; eligible populations; grant awards.** (a) The commissioner, in consultation with the community solutions advisory council, shall develop a request for proposals for healthy child development grants. In developing the proposals and awarding the grants, the commissioner shall consider building on the capacity of communities to promote child and family well-being and address social determinants of healthy child development. Proposals must focus on increasing racial equity and healthy child development and reducing health disparities experienced by children of Black, nonwhite people of color, and American Indian communities from prenatal to grade 3 and their families.

(b) In awarding the grants, the commissioner shall provide strategic consideration and give priority to proposals from:

(1) organizations or entities led by Black and other nonwhite people of color and serving Black and nonwhite communities of color;

(2) organizations or entities led by American Indians and serving American Indians, including Tribal nations and Tribal organizations;

(3) organizations or entities with proposals focused on healthy development from prenatal to age three;

(4) organizations or entities with proposals focusing on multigenerational solutions;

(5) organizations or entities located in or with proposals to serve communities located in counties that are moderate to high risk according to the Wilder Research Risk and Reach Report; and

(6) community-based organizations that have historically served communities of color and American Indians and have not traditionally had access to state grant funding.

(c) The advisory council may recommend additional strategic considerations and priorities to the commissioner.

(d) The first round of grants must be awarded no later than April 15, 2023.

Subd. 6. **Geographic distribution of grants.** To the extent possible, the commissioner and the advisory council shall ensure that grant funds are prioritized and awarded to organizations and entities that are within counties that have a higher proportion of Black, nonwhite people of color, and American Indians than the state average.

Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 42. **[145.9272] LEAD REMEDIATION IN SCHOOLS AND CHILD CARE SETTINGS GRANT PROGRAM.**

Subdivision 1. **Establishment; purpose.** The commissioner of health shall develop a grant program for the purpose of remediating identified sources of lead in drinking water in schools and child care settings.

Subd. 2. **Grants authorized.** The commissioner shall award grants through a request for proposals process to schools and child care settings. Priority shall be given to schools and child care settings with: (1) higher levels of lead detected in water samples; (2) evidence of lead service lines or lead plumbing materials; and (3) school districts that serve disadvantaged communities.

Subd. 3. **Grant allocation.** Grantees must use the funds to address sources of lead contamination in their facilities including but not limited to service connections, premise plumbing, and implementing best practices for water management within the building.

Sec. 43. **[145.9275] SKIN-LIGHTENING PRODUCTS PUBLIC AWARENESS AND EDUCATION GRANT PROGRAM.**

Subdivision 1. **Grant program.** The commissioner of health shall award grants through a request for proposal process to community-based organizations that serve ethnic communities and focus on public health outreach to Black and people of color communities on the issues of colorism, skin-lightening products, and chemical exposures from these products. Priority in awarding grants shall be given to organizations that have historically provided services to ethnic communities on the skin-lightening and chemical exposure issue for the past four years.

Subd. 2. **Uses of grant funds.** Grant recipients must use grant funds awarded under this section to conduct public awareness and education activities that are culturally specific and community-based and that focus on:

(1) increasing public awareness and providing education on the health dangers associated with using skin-lightening creams and products that contain mercury and hydroquinone and are manufactured in other countries, brought into this country, and sold illegally online or in stores; the dangers of exposure to mercury through dermal absorption, inhalation, hand-to-mouth contact, and contact with individuals who have used these skin-lightening products; the health effects of mercury poisoning, including the permanent effects on the central nervous system and kidneys; and the dangers to mothers and infants of using these products or being exposed to these products during pregnancy and while breastfeeding;

(2) identifying products that contain mercury and hydroquinone by testing skin-lightening products;

(3) developing a train the trainer curriculum to increase community knowledge and influence behavior changes by training community leaders, cultural brokers, community health workers, and educators;

(4) continuing to build the self-esteem and overall wellness of young people who are using skin-lightening products or are at risk of starting the practice of skin lightening; and

(5) building the capacity of community-based organizations to continue to combat skin-lightening practices and chemical exposure.

Sec. 44. **[145.9282] COMMUNITY HEALTH WORKERS; REDUCING HEALTH DISPARITIES WITH COMMUNITY-LED CARE.**

Subdivision 1. **Establishment.** The commissioner of health shall support collaboration and coordination between state and community partners to develop, refine, and expand the community health workers profession across the state equipping them to address health needs and to improve health outcomes by addressing the social

conditions that impact health status. Community health professionals' work expands beyond health care to bring health and racial equity into public safety, social services, youth and family services, schools, neighborhood associations, and more.

Subd. 2. **Grants authorized; eligibility.** The commissioner of health shall establish a community-based grant to expand and strengthen the community health workers workforce across the state. The grantee must be a not-for-profit community organization serving, convening, and supporting community health workers (CHW) statewide.

Subd. 3. **Evaluation.** The commissioner of health shall design, conduct, and evaluate the CHW initiative using measures of workforce capacity, employment opportunity, reach of services, and return on investment, as well as descriptive measures of the extant CHW models as they compare with the national community health workers' landscape. These more proximal measures are collected and analyzed as foundational to longer-term change in social determinants of health and rates of death and injury by suicide, overdose, firearms, alcohol, and chronic disease.

Subd. 4. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 45. **[145.9283] REDUCING HEALTH DISPARITIES AMONG PEOPLE WITH DISABILITIES; GRANTS.**

Subdivision 1. **Goal and establishment.** The commissioner of health shall support collaboration and coordination between state and community partners to address equity barriers to health care and preventative services for chronic diseases among people with disabilities. The commissioner of health, in consultation with the Olmstead Implementation Office, Department of Human Services, Board on Aging, health care professionals, local public health, and other community organizations that serve people with disabilities, shall routinely identify priorities and action steps to address identified gaps in services, resources, and tools.

Subd. 2. **Assessment and tracking.** The commissioner of health shall conduct community needs assessments and establish a health surveillance and tracking plan in collaboration with community and organizational partners to identify and address health disparities.

Subd. 3. **Grants authorized.** The commissioner of health shall establish community-based grants to support establishing inclusive evidence-based chronic disease prevention and management services to address identified gaps and disparities.

Subd. 4. **Technical assistance.** The commissioner of health shall provide and evaluate training and capacity-building technical assistance on accessible preventive health care for public health and health care providers of chronic disease prevention and management programs and services.

Subd. 5. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 46. **[145.9292] PUBLIC HEALTH AMERICORPS.**

The commissioner may award a grant to a statewide, nonprofit organization to support Public Health AmeriCorps members. The organization awarded the grant shall provide the commissioner with any information needed by the commissioner to evaluate the program in the form and at the timelines specified by the commissioner.

Sec. 47. **[145.987] HEALTHY BEGINNINGS, HEALTHY FAMILIES ACT.**

Subdivision 1. **Purpose.** The purpose of the Healthy Beginnings, Healthy Families Act is to: (1) address the significant disparities in early childhood outcomes and increase the number of children who are school ready through establishing the Minnesota collaborative to prevent infant mortality; (2) sustain the Help Me Connect online navigator; (3) improve universal access to developmental and social-emotional screening and follow-up; and (4) sustain and expand the model jail practices for children of incarcerated parents in Minnesota jails.

Subd. 2. **Minnesota collaborative to prevent infant mortality.** (a) The Minnesota collaborative to prevent infant mortality is established. The goal of the Minnesota collaborative to prevent infant mortality program is to:

(1) build a statewide multisectoral partnership including the state government, local public health organizations, Tribes, the private sector, and community nonprofit organizations with the shared goal of decreasing infant mortality rates among populations with significant disparities, including among Black, American Indian, other nonwhite communities, and rural populations;

(2) address the leading causes of poor infant health outcomes such as premature birth, infant sleep-related deaths, and congenital anomalies through strategies to change social and environmental determinants of health; and

(3) promote the development, availability, and use of data-informed, community-driven strategies to improve infant health outcomes.

(b) The commissioner of health shall establish a statewide partnership program to engage communities, exchange best practices, share summary data on infant health, and promote policies to improve birth outcomes and eliminate preventable infant mortality.

Subd. 3. **Grants authorized.** (a) The commissioner of health shall award grants to eligible applicants to convene, coordinate, and implement data-driven strategies and culturally relevant activities to improve infant health by reducing preterm births, sleep-related infant deaths, and congenital malformations and by addressing social and environmental determinants of health. Grants shall be awarded to support community nonprofit organizations, Tribal governments, and community health boards. Grants shall be awarded to all federally recognized Tribal governments whose proposals demonstrate the ability to implement programs designed to achieve the purposes in subdivision 2 and other requirements of this section. An eligible applicant must submit an application to the commissioner of health on a form designated by the commissioner and by the deadline established by the commissioner. The commissioner shall award grants to eligible applicants in metropolitan and rural areas of the state and may consider geographic representation in grant awards.

(b) Grantee activities shall:

(1) address the leading cause or causes of infant mortality;

(2) be based on community input;

(3) be focused on policy, systems, and environmental changes that support infant health; and

(4) address the health disparities and inequities that are experienced in the grantee's community.

(c) The commissioner shall review each application to determine whether the application is complete and whether the applicant and the project are eligible for a grant. In evaluating applications under this subdivision, the commissioner shall establish criteria including but not limited to: (1) the eligibility of the project; (2) the applicant's thoroughness and clarity in describing the infant health issues grant funds are intended to address; (3) a description of the applicant's proposed project; (4) a description of the population demographics and service area of the proposed project; and (5) evidence of efficiencies and effectiveness gained through collaborative efforts.

(d) Grant recipients shall report their activities to the commissioner in a format and at a time specified by the commissioner.

Subd. 4. **Technical assistance.** (a) The commissioner shall provide content expertise, technical expertise, training to grant recipients, and advice on data-driven strategies.

(b) For the purposes of carrying out the grant program under this section, including for administrative purposes, the commissioner shall award contracts to appropriate entities to assist in training and to provide technical assistance to grantees.

(c) Contracts awarded under paragraph (b) may be used to provide technical assistance and training in the areas of:

(1) partnership development and capacity building;

(2) Tribal support;

(3) implementation support for specific infant health strategies;

(4) communications, convening, and sharing lessons learned; and

(5) health equity.

Subd. 5. **Help Me Connect.** The Help Me Connect online navigator is established. The goal of Help Me Connect is to connect pregnant and parenting families with young children from birth to eight years of age with services in their local communities that support healthy child development and family well-being. The commissioner of health shall work collaboratively with the commissioners of human services and education to implement this subdivision.

Subd. 6. **Duties of Help Me Connect.** (a) Help Me Connect shall facilitate collaboration across sectors covering child health, early learning and education, child welfare, and family supports by:

(1) providing early childhood provider outreach to support early detection, intervention, and knowledge about local resources; and

(2) linking children and families to appropriate community-based services.

(b) Help Me Connect shall provide community outreach that includes support for and participation in the help me connect system, including disseminating information and compiling and maintaining a current resource directory that includes but is not limited to primary and specialty medical care providers, early childhood education and child care programs, developmental disabilities assessment and intervention programs, mental health services, family and social support programs, child advocacy and legal services, public health and human services and resources, and other appropriate early childhood information.

(c) Help Me Connect shall maintain a centralized access point for parents and professionals to obtain information, resources, and other support services.

(d) Help Me Connect shall provide a centralized mechanism that facilitates provider-to-provider referrals to community resources and monitors referrals to ensure that families are connected to services.

(e) Help Me Connect shall collect program evaluation data to increase the understanding of all aspects of the current and ongoing system under this section, including identification of gaps in service, barriers to finding and receiving appropriate service, and lack of resources.

Subd. 7. **Universal and voluntary developmental and social-emotional screening and follow-up.** (a) The commissioner shall establish a universal and voluntary developmental and social-emotional screening to identify young children at risk for developmental and behavioral concerns. Follow-up services shall be provided to connect families and young children to appropriate community-based resources and programs. The commissioner of health shall work with the commissioners of human services and education to implement this subdivision and promote interagency coordination with other early childhood programs including those that provide screening and assessment.

(b) The commissioner shall:

(1) increase the awareness of universal and voluntary developmental and social-emotional screening and follow-up in coordination with community and state partners;

(2) expand existing electronic screening systems to administer developmental and social-emotional screening of children from birth to kindergarten entrance;

(3) provide universal and voluntary periodic screening for developmental and social-emotional delays based on current recommended best practices;

(4) review and share the results of the screening with the child's parent or guardian;

(5) support families in their role as caregivers by providing typical growth and development information, anticipatory guidance, and linkages to early childhood resources and programs;

(6) ensure that children and families are linked to appropriate community-based services and resources when any developmental or social-emotional concerns are identified through screening; and

(7) establish performance measures and collect, analyze, and share program data regarding population-level outcomes of developmental and social-emotional screening, and make referrals to community-based services and follow-up activities.

Subd. 8. **Grants authorized.** The commissioner shall award grants to community health boards and Tribal nations to support follow-up services for children with developmental or social-emotional concerns identified through screening in order to link children and their families to appropriate community-based services and resources. The commissioner shall provide technical assistance, content expertise, and training to grant recipients to ensure that follow-up services are effectively provided.

Subd. 9. **Model jails practices for incarcerated parents.** (a) The commissioner of health may make special grants to counties, groups of counties, or nonprofit organizations to implement model jails practices to benefit the children of incarcerated parents.

(b) "Model jail practices" means a set of practices that correctional administrators can implement to remove barriers that may prevent a child from cultivating or maintaining relationships with the child's incarcerated parent or parents during and immediately after incarceration without compromising the safety or security of the correctional facility.

Subd. 10. **Grants authorized.** (a) The commissioner of health shall award grants to eligible county jails to implement model jail practices and separate grants to county governments, Tribal governments, or nonprofit organizations in corresponding geographic areas to build partnerships with county jails to support children of incarcerated parents and their caregivers.

(b) Grantee activities may include but are not limited to:

(1) parenting classes or groups;

(2) family-centered intake and assessment of inmate programs;

(3) family notification, information, and communication strategies;

(4) correctional staff training;

(5) policies and practices for family visits; and

(6) family-focused reentry planning.

(c) Grant recipients shall report their activities to the commissioner in a format and at a time specified by the commissioner.

Subd. 11. **Technical assistance and oversight.** (a) The commissioner shall provide content expertise, training to grant recipients, and advice on evidence-based strategies, including evidence-based training to support incarcerated parents.

(b) For the purposes of carrying out the grant program under this section, including for administrative purposes, the commissioner shall award contracts to appropriate entities to assist in training and provide technical assistance to grantees.

(c) Contracts awarded under paragraph (b) may be used to provide technical assistance and training in the areas of:

(1) evidence-based training for incarcerated parents;

(2) partnership building and community engagement;

(3) evaluation of process and outcomes of model jail practices; and

(4) expert guidance on reducing the harm caused to children of incarcerated parents and application of model jail practices.

Sec. 48. **[145.988] MINNESOTA SCHOOL HEALTH INITIATIVE.**

Subdivision 1. **Purpose.** (a) The purpose of the Minnesota School Health Initiative is to implement evidence-based practices to strengthen and expand health promotion and health care delivery activities in schools to improve the holistic health of students. To better serve students, the Minnesota School Health Initiative shall unify the best practices of the school-based health center and Whole School, Whole Community, Whole Child models.

(b) The commissioner of health and the commissioner of education shall coordinate the projects and initiatives funded under this section with other efforts at the local, state, or national level to avoid duplication and promote complementary efforts.

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

(b) "School-based health center" or "comprehensive school-based health center" means a safety net health care delivery model that is located in or near a school facility and that offers comprehensive health care, including preventive and behavioral health services, by licensed and qualified health professionals in accordance with federal, state, and local law. When not located on school property, the school-based health center must have an established relationship with one or more schools in the community and operate primarily to serve those student groups.

(c) "Sponsoring organization" means any of the following that operate a school-based health center:

(1) health care providers;

(2) community clinics;

(3) hospitals;

(4) federally qualified health centers and look-alikes as defined in section 145.9269;

(5) health care foundations or nonprofit organizations;

(6) higher education institutions; or

(7) local health departments.

Subd. 3. **Expansion of Minnesota school-based health centers.** (a) The commissioner of health shall administer a program to provide grants to school districts, school-based health centers, and sponsoring organizations to support existing centers and facilitate the growth of school-based health centers in Minnesota.

(b) Grant funds distributed under this subdivision shall be used to support new or existing school-based health centers that:

(1) operate in partnership with a school or district and with the permission of the school or district board;

(2) provide health services through a sponsoring organization that is specified in subdivision 2; and

(3) provide health services to all students and youth within a school or district regardless of ability to pay, insurance coverage, or immigration status, and in accordance with federal, state, and local law.

(c) Grant recipients shall report their activities and annual performance measures as defined by the commissioner in a format and time specified by the commissioner.

Subd. 4. **School-based health center services.** Services provided by a school-based health center may include but are not limited to:

(1) preventative health care;

(2) chronic medical condition management, including diabetes and asthma care;

(3) mental health care and crisis management;

(4) acute care for illness and injury;

(5) oral health care;

(6) vision care;

(7) nutritional counseling;

(8) substance abuse counseling;

(9) referral to a specialist, medical home, or hospital for care;

(10) additional services that address social determinants of health; and

(11) emerging services such as mobile health and telehealth.

Subd. 5. **Sponsoring organization.** A sponsoring organization that agrees to operate a school-based health center must enter into a memorandum of agreement with the school or district. The memorandum of agreement must require the sponsoring organization to be financially responsible for the operation of school-based health centers in the school or district and must identify the costs that are the responsibility of the school or district, such as Internet access, custodial services, utilities, and facility maintenance. To the greatest extent possible, a sponsoring organization must bill private insurers, medical assistance, and other public programs for services provided in the school-based health center in order to maintain the financial sustainability of the school-based health center.

Subd. 6. **Oral health in school settings.** (a) The commissioner of health shall administer a program to provide competitive grants to schools, oral health providers, and other community groups to build capacity and infrastructure to establish, expand, link, or strengthen oral health services in school settings.

(b) Grant funds distributed under this subdivision must be used to support new or existing oral health services in schools that:

(1) provide oral health risk assessment, screening, education, and anticipatory guidance;

(2) provide oral health services, including fluoride varnish and dental sealants;

(3) make referrals for restorative and other follow-up dental care as needed; and

(4) provide free access to fluoridated drinking water to give students a healthy alternative to sugar-sweetened beverages.

(c) Grant recipients must collect, monitor, and submit to the commissioner of health baseline and annual data and provide information to improve the quality and impact of oral health strategies.

Subd. 7. **Whole School, Whole Community, Whole Child Grants.** (a) The commissioner of health shall administer a program to provide competitive grants to local public health organizations, schools, and community organizations using the evidence-based Whole School, Whole Community, Whole Child (WSCC) model to increase alignment, integration, and collaboration between public health and education sectors to improve each child's cognitive, physical, oral, social, and emotional development.

(b) Grant funds distributed under this subdivision must be used to support new or existing programs that implement elements of the WSCC model in schools that:

(1) align health and learning strategies to improve health outcomes and academic achievement;

(2) improve the physical, nutritional, psychological, social, and emotional environments of schools;

(3) create collaborative approaches to engage schools, parents and guardians, and communities; and

(4) promote and establish lifelong healthy behaviors.

(c) Grant recipients shall report grant activities and progress to the commissioner in a time and format specified by the commissioner.

Subd. 8. **Technical assistance and oversight.** (a) The commissioner shall provide content expertise, technical expertise, and training to grant recipients under subdivisions 6 and 7.

(b) For the purposes of carrying out the grant program under this section, including for administrative purposes, the commissioner shall award contracts to appropriate entities to assist in training and provide technical assistance to grantees.

(c) Contracts awarded under paragraph (b) may be used to provide technical assistance and training in the areas of:

(1) needs assessment;

(2) community engagement and capacity building;

(3) community asset building and risk behavior reduction;

(4) dental provider training in calibration;

(5) dental services related equipment, instruments, supplies;

(6) communications;

(7) community, school, health care, work site, and other site-specific strategies;

(8) health equity;

(9) data collection and analysis; and

(10) evaluation.

Sec. 49. Minnesota Statutes 2020, section 145A.131, subdivision 1, is amended to read:

Subdivision 1. **Funding formula for community health boards.** (a) Base funding for each community health board eligible for a local public health grant under section 145A.03, subdivision 7, shall be determined by each community health board's fiscal year 2003 allocations, prior to unallotment, for the following grant programs: community health services subsidy; state and federal maternal and child health special projects grants; family home visiting grants; TANF MN ENABL grants; TANF youth risk behavior grants; and available women, infants, and children grant funds in fiscal year 2003, prior to unallotment, distributed based on the proportion of WIC participants served in fiscal year 2003 within the CHS service area.

(b) Base funding for a community health board eligible for a local public health grant under section 145A.03, subdivision 7, as determined in paragraph (a), shall be adjusted by the percentage difference between the base, as calculated in paragraph (a), and the funding available for the local public health grant.

(c) Multicounty or multicity community health boards shall receive a local partnership base of up to $5,000 per year for each county or city in the case of a multicity community health board included in the community health board.

(d) The State Community Health Services Advisory Committee may recommend a formula to the commissioner to use in distributing funds to community health boards.

(e) Notwithstanding any adjustment in paragraph (b), community health boards, all or a portion of which are located outside of the counties of Anoka, Chisago, Carver, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright, are eligible to receive an increase equal to ten percent of the grant award to the community health board under paragraph (a) starting July 1, 2015. The increase in calendar year 2015 shall be prorated for the last six months of the year. For calendar years beginning on or after January 1, 2016, the amount distributed under this paragraph shall be adjusted each year based on available funding and the number of eligible community health boards.

(f) Funding for foundational public health responsibilities shall be distributed based on a formula determined by the commissioner in consultation with the State Community Health Services Advisory Committee. Community health boards must use these funds as specified in subdivision 5.

Sec. 50. Minnesota Statutes 2020, section 145A.131, subdivision 5, is amended to read:

Subd. 5. **Use of funds.** (a) Community health boards may use the base funding of their local public health grant funds distributed according to subdivision 1, paragraphs (a) to (e), to address the areas of public health responsibility and local priorities developed through the community health assessment and community health improvement planning process.

(b) A community health board must use funding for foundational public health responsibilities that is distributed according to subdivision 1, paragraph (f), to fulfill foundational public health responsibilities as defined by the commissioner in consultation with the State Community Health Services Advisory Committee.

(c) Notwithstanding paragraph (b), if a community health board can demonstrate that foundational public health responsibilities are fulfilled, the community health board may use funding for foundational public health responsibilities for local priorities developed through the community health assessment and community health improvement planning process.

(d) Notwithstanding paragraphs (a) to (c), by July 1, 2026, community health boards must use all local public health funds first to fulfill foundational public health responsibilities. Once a community health board can demonstrate foundational public health responsibilities are fulfilled, funds may be used for local priorities developed through the community health assessment and community health improvement planning process.

Sec. 51. Minnesota Statutes 2020, section 145A.14, is amended by adding a subdivision to read:

Subd. 2b. **Tribal governments; foundational public health responsibilities.** The commissioner shall distribute grants to Tribal governments for foundational public health responsibilities as defined by each Tribal government.

Sec. 52. Minnesota Statutes 2020, section 149A.01, subdivision 2, is amended to read:

Subd. 2. **Scope.** In Minnesota no person shall, without being licensed or registered by the commissioner of health:

(1) take charge of or remove from the place of death a dead human body;

(2) prepare a dead human body for final disposition, in any manner; or

(3) arrange, direct, or supervise a funeral, memorial service, or graveside service.

Sec. 53. Minnesota Statutes 2020, section 149A.01, subdivision 3, is amended to read:

Subd. 3. **Exceptions to licensure.** (a) Except as otherwise provided in this chapter, nothing in this chapter shall in any way interfere with the duties of:

(1) an anatomical bequest program located within an accredited school of medicine or an accredited college of mortuary science;

(2) a person engaged in the performance of duties prescribed by law relating to the conditions under which unclaimed dead human bodies are held subject to anatomical study;

(3) authorized personnel from a licensed ambulance service in the performance of their duties;

(4) licensed medical personnel in the performance of their duties; or

(5) the coroner or medical examiner in the performance of the duties of their offices.

(b) This chapter does not apply to or interfere with the recognized customs or rites of any culture or recognized religion in the ceremonial washing, dressing, casketing, and public transportation of their dead, to the extent that all other provisions of this chapter are complied with.

(c) Noncompensated persons with the right to control the dead human body, under section 149A.80, subdivision 2, may remove a body from the place of death; transport the body; prepare the body for disposition, except embalming; or arrange for final disposition of the body, provided that all actions are in compliance with this chapter.

(d) Persons serving internships pursuant to section 149A.20, subdivision 6, ~~or~~ students officially registered for a practicum or clinical through a program of mortuary science accredited by the American Board of Funeral Service Education, or transfer care specialists registered pursuant to section 149A.47 are not required to be licensed, provided that the persons or students are registered with the commissioner and act under the direct and exclusive supervision of a person holding a current license to practice mortuary science in Minnesota.

(e) Notwithstanding this subdivision, nothing in this section shall be construed to prohibit an institution or entity from establishing, implementing, or enforcing a policy that permits only persons licensed by the commissioner to remove or cause to be removed a dead body or body part from the institution or entity.

(f) An unlicensed person may arrange for and direct or supervise a memorial service if that person or that person's employer does not have charge of the dead human body. An unlicensed person may not take charge of the dead human body, unless that person has the right to control the dead human body under section 149A.80, subdivision 2, or is that person's noncompensated designee.

Sec. 54. Minnesota Statutes 2020, section 149A.02, is amended by adding a subdivision to read:

Subd. 12c. **Dead human body or body.** "Dead human body" or "body" includes an identifiable human body part that is detached from a human body.

Sec. 55. Minnesota Statutes 2020, section 149A.02, subdivision 13a, is amended to read:

Subd. 13a. **Direct supervision.** "Direct supervision" means overseeing the performance of an individual. For the purpose of a clinical, practicum, ~~or~~ internship, or registration, direct supervision means that the supervisor is available to observe and correct, as needed, the performance of the trainee or registrant. The mortician supervisor is accountable for the actions of the clinical student, practicum student, ~~or~~ intern, or registrant throughout the course of the training. The supervising mortician is accountable for any violations of law or rule, in the performance of their duties, by the clinical student, practicum student, ~~or~~ intern, or registrant.

Sec. 56. Minnesota Statutes 2020, section 149A.02, is amended by adding a subdivision to read:

Subd. 37d. **Registrant.** "Registrant" means any person who is registered as a transfer care specialist under section 149A.47.

Sec. 57. Minnesota Statutes 2020, section 149A.02, is amended by adding a subdivision to read:

Subd. 37e. **Transfer care specialist.** "Transfer care specialist" means an individual who is registered with the commissioner in accordance with section 149A.47 and is authorized to perform the removal of a dead human body from the place of death under the direct supervision of a licensed mortician.

Sec. 58. Minnesota Statutes 2020, section 149A.03, is amended to read:

149A.03 DUTIES OF COMMISSIONER.

The commissioner shall:

(1) enforce all laws and adopt and enforce rules relating to the:

(i) removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies;

(ii) licensure, registration, and professional conduct of funeral directors, morticians, interns, transfer care specialists, practicum students, and clinical students;

(iii) licensing and operation of a funeral establishment;

(iv) licensing and operation of an alkaline hydrolysis facility; and

(v) licensing and operation of a crematory;

(2) provide copies of the requirements for licensure, registration, and permits to all applicants;

(3) administer examinations and issue licenses, registrations, and permits to qualified persons and other legal entities;

(4) maintain a record of the name and location of all current licensees, registrants, and interns;

(5) perform periodic compliance reviews and premise inspections of licensees;

(6) accept and investigate complaints relating to conduct governed by this chapter;

(7) maintain a record of all current preneed arrangement trust accounts;

(8) maintain a schedule of application, examination, permit, registration, and licensure fees, initial and renewal, sufficient to cover all necessary operating expenses;

(9) educate the public about the existence and content of the laws and rules for mortuary science licensing and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies to enable consumers to file complaints against licensees and others who may have violated those laws or rules;

(10) evaluate the laws, rules, and procedures regulating the practice of mortuary science in order to refine the standards for licensing and to improve the regulatory and enforcement methods used; and

(11) initiate proceedings to address and remedy deficiencies and inconsistencies in the laws, rules, or procedures governing the practice of mortuary science and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies.

Sec. 59. Minnesota Statutes 2020, section 149A.09, is amended to read:

149A.09 DENIAL; REFUSAL TO REISSUE; REVOCATION; SUSPENSION; LIMITATION OF LICENSE, REGISTRATION, OR PERMIT.

Subdivision 1. **Denial; refusal to renew; revocation; and suspension.** The regulatory agency may deny, refuse to renew, revoke, or suspend any license, registration, or permit applied for or issued pursuant to this chapter when the person subject to regulation under this chapter:

(1) does not meet or fails to maintain the minimum qualification for holding a license, registration, or permit under this chapter;

(2) submits false or misleading material information to the regulatory agency in connection with a license, registration, or permit issued by the regulatory agency or the application for a license, registration, or permit;

(3) violates any law, rule, order, stipulation agreement, settlement, compliance agreement, license, registration, or permit that regulates the removal, preparation, transportation, arrangements for disposition, or final disposition of dead human bodies in Minnesota or any other state in the United States;

(4) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea in any court in Minnesota or any other jurisdiction in the United States. "Conviction," as used in this subdivision, includes a conviction for an offense which, if committed in this state, would be deemed a felony or gross 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;

(5) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea in any court in Minnesota or any other jurisdiction in the United States that the regulatory agency determines is reasonably related to the removal, preparation, transportation, arrangements for disposition or final disposition of dead human bodies, or the practice of mortuary science;

(6) is adjudicated as mentally incompetent, mentally ill, developmentally disabled, or mentally ill and dangerous to the public;

(7) has a conservator or guardian appointed;

(8) fails to comply with an order issued by the regulatory agency or fails to pay an administrative penalty imposed by the regulatory agency;

(9) owes uncontested delinquent taxes in the amount of $500 or more to the Minnesota Department of Revenue, or any other governmental agency authorized to collect taxes anywhere in the United States;

(10) is in arrears on any court ordered family or child support obligations; or

(11) engages in any conduct that, in the determination of the regulatory agency, is unprofessional as prescribed in section 149A.70, subdivision 7, or renders the person unfit to practice mortuary science or to operate a funeral establishment or crematory.

Subd. 2. **Hearings related to refusal to renew, suspension, or revocation of license, registration, or permit.** If the regulatory agency proposes to deny renewal, suspend, or revoke a license, registration, or permit issued under this chapter, the regulatory agency must first notify, in writing, the person against whom the action is proposed to be taken and provide an opportunity to request a hearing under the contested case provisions of sections 14.57 to 14.62. If the subject of the proposed action does not request a hearing by notifying the regulatory agency, by mail, within 20 calendar days after the receipt of the notice of proposed action, the regulatory agency may proceed with the action without a hearing and the action will be the final order of the regulatory agency.

Subd. 3. **Review of final order.** A judicial review of the final order issued by the regulatory agency may be requested in the manner prescribed in sections 14.63 to 14.69. Failure to request a hearing pursuant to subdivision 2 shall constitute a waiver of the right to further agency or judicial review of the final order.

Subd. 4. **Limitations or qualifications placed on license, registration, or permit.** The regulatory agency may, where the facts support such action, place reasonable limitations or qualifications on the right to practice mortuary science ~~or,~~ to operate a funeral establishment or crematory, or to conduct activities or actions permitted under this chapter.

Subd. 5. **Restoring license, registration, or permit.** The regulatory agency may, where there is sufficient reason, restore a license, registration, or permit that has been revoked, reduce a period of suspension, or remove limitations or qualifications.

Sec. 60. Minnesota Statutes 2020, section 149A.11, is amended to read:

149A.11 PUBLICATION OF DISCIPLINARY ACTIONS.

The regulatory agencies shall report all disciplinary measures or actions taken to the commissioner. At least annually, the commissioner shall publish and make available to the public a description of all disciplinary measures or actions taken by the regulatory agencies. The publication shall include, for each disciplinary measure or action taken, the name and business address of the licensee, registrant, or intern~~,~~; the nature of the misconduct~~,~~; and the measure or action taken by the regulatory agency.

Sec. 61. **[149A.47] TRANSFER CARE SPECIALIST.**

Subdivision 1. **General.** A transfer care specialist may remove a dead human body from the place of death under the direct supervision of a licensed mortician if the transfer care specialist is registered with the commissioner in accordance with this section. A transfer care specialist is not licensed to engage in the practice of mortuary science and shall not engage in the practice of mortuary science except as provided in this section.

Subd. 2. **Registration.** To be eligible for registration as a transfer care specialist, an applicant must submit to the commissioner:

(1) a complete application on a form provided by the commissioner that includes at a minimum:

(i) the applicant's name, home address and telephone number, business name, and business address and telephone number; and

(ii) the name, license number, business name, and business address and telephone number of the supervising licensed mortician;

(2) proof of completion of a training program that meets the requirements specified in subdivision 4; and

(3) the appropriate fees specified in section 149A.65.

Subd. 3. **Duties.** A transfer care specialist registered under this section is authorized to perform the removal of a dead human body from the place of death in accordance with this chapter to a licensed funeral establishment. The transfer care specialist must work under the direct supervision of a licensed mortician. The supervising mortician is responsible for the work performed by the transfer care specialist. A licensed mortician may supervise up to six transfer care specialists at any one time.

Subd. 4. **Training program.** (a) Each transfer care specialist must complete a training program that has been approved by the commissioner. To be approved, a training program must be at least seven hours long and must cover, at a minimum, the following:

(1) ethical care and transportation procedures for a deceased person;

(2) health and safety concerns to the public and the individual performing the transfer of the deceased person; and

(3) all relevant state and federal laws and regulations related to the transfer and transportation of deceased persons.

(b) A transfer care specialist must complete a training program every five years.

Subd. 5. **Registration renewal.** (a) A registration issued under this section expires one year after the date of issuance and must be renewed to remain valid.

(b) To renew a registration, the transfer care specialist must submit a completed renewal application as provided by the commissioner and the appropriate fees specified in section 149A.65. Every five years, the renewal application must include proof of completion of a training program that meets the requirements in subdivision 4.

Sec. 62. Minnesota Statutes 2020, section 149A.60, is amended to read:

149A.60 PROHIBITED CONDUCT.

The regulatory agency may impose disciplinary measures or take disciplinary action against a person whose conduct is subject to regulation under this chapter for failure to comply with any provision of this chapter or laws, rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, and permits adopted, or issued for the regulation of the removal, preparation, transportation, arrangements for disposition or final disposition of dead human bodies, or for the regulation of the practice of mortuary science.

Sec. 63. Minnesota Statutes 2020, section 149A.61, subdivision 4, is amended to read:

Subd. 4. **Licensees, registrants, and interns.** A licensee, registrant, or intern regulated under this chapter may report to the commissioner any conduct that the licensee, registrant, or intern has personal knowledge of, and reasonably believes constitutes grounds for, disciplinary action under this chapter.

Sec. 64. Minnesota Statutes 2020, section 149A.61, subdivision 5, is amended to read:

Subd. 5. **Courts.** The court administrator of district court or any court of competent jurisdiction shall report to the commissioner any judgment or other determination of the court that adjudges or includes a finding that a licensee, registrant, or intern is a person who is mentally ill, mentally incompetent, guilty of a felony or gross misdemeanor, guilty of violations of federal or state narcotics laws or controlled substances acts; appoints a guardian or conservator for the licensee, registrant, or intern; or commits a licensee, registrant, or intern.

Sec. 65. Minnesota Statutes 2020, section 149A.62, is amended to read:

149A.62 IMMUNITY; REPORTING.

Any person, private agency, organization, society, association, licensee, registrant, or intern who, in good faith, submits information to a regulatory agency under section 149A.61 or otherwise reports violations or alleged violations of this chapter, is immune from civil liability or criminal prosecution. This section does not prohibit disciplinary action taken by the commissioner against any licensee, registrant, or intern pursuant to a self report of a violation.

Sec. 66. Minnesota Statutes 2020, section 149A.63, is amended to read:

149A.63 PROFESSIONAL COOPERATION.

A licensee, clinical student, practicum student, registrant, intern, or applicant for licensure under this chapter that is the subject of or part of an inspection or investigation by the commissioner or the commissioner's designee shall cooperate fully with the inspection or investigation. Failure to cooperate constitutes grounds for disciplinary action under this chapter.

Sec. 67. Minnesota Statutes 2020, section 149A.65, subdivision 2, is amended to read:

Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

(1) $75 for the initial and renewal registration of a mortuary science intern;

(2) $125 for the mortuary science examination;

(3) $200 for issuance of initial and renewal mortuary science licenses;

(4) $100 late fee charge for a license renewal; ~~and~~

(5) $250 for issuing a mortuary science license by endorsement; and

(6) $687 for the initial and renewal registration of a transfer care specialist.

Sec. 68. Minnesota Statutes 2020, section 149A.70, subdivision 3, is amended to read:

Subd. 3. **Advertising.** No licensee, registrant, clinical student, practicum student, or intern shall publish or disseminate false, misleading, or deceptive advertising. False, misleading, or deceptive advertising includes, but is not limited to:

(1) identifying, by using the names or pictures of, persons who are not licensed to practice mortuary science in a way that leads the public to believe that those persons will provide mortuary science services;

(2) using any name other than the names under which the funeral establishment, alkaline hydrolysis facility, or crematory is known to or licensed by the commissioner;

(3) using a surname not directly, actively, or presently associated with a licensed funeral establishment, alkaline hydrolysis facility, or crematory, unless the surname had been previously and continuously used by the licensed funeral establishment, alkaline hydrolysis facility, or crematory; and

(4) using a founding or establishing date or total years of service not directly or continuously related to a name under which the funeral establishment, alkaline hydrolysis facility, or crematory is currently or was previously licensed.

Any advertising or other printed material that contains the names or pictures of persons affiliated with a funeral establishment, alkaline hydrolysis facility, or crematory shall state the position held by the persons and shall identify each person who is licensed or unlicensed under this chapter.

Sec. 69. Minnesota Statutes 2020, section 149A.70, subdivision 4, is amended to read:

Subd. 4. **Solicitation of business.** No licensee shall directly or indirectly pay or cause to be paid any sum of money or other valuable consideration for the securing of business or for obtaining the authority to dispose of any dead human body.

For purposes of this subdivision, licensee includes a registered intern or transfer care specialist or any agent, representative, employee, or person acting on behalf of the licensee.

Sec. 70. Minnesota Statutes 2020, section 149A.70, subdivision 5, is amended to read:

Subd. 5. **Reimbursement prohibited.** No licensee, clinical student, practicum student, ~~or~~ intern, or transfer care specialist shall offer, solicit, or accept a commission, fee, bonus, rebate, or other reimbursement in consideration for recommending or causing a dead human body to be disposed of by a specific body donation program, funeral establishment, alkaline hydrolysis facility, crematory, mausoleum, or cemetery.

Sec. 71. Minnesota Statutes 2020, section 149A.70, subdivision 7, is amended to read:

Subd. 7. **Unprofessional conduct.** No licensee, registrant, or intern shall engage in or permit others under the licensee's, registrant's, or intern's supervision or employment to engage in unprofessional conduct. Unprofessional conduct includes, but is not limited to:

(1) harassing, abusing, or intimidating a customer, employee, or any other person encountered while within the scope of practice, employment, or business;

(2) using profane, indecent, or obscene language within the immediate hearing of the family or relatives of the deceased;

(3) failure to treat with dignity and respect the body of the deceased, any member of the family or relatives of the deceased, any employee, or any other person encountered while within the scope of practice, employment, or business;

(4) the habitual overindulgence in the use of or dependence on intoxicating liquors, prescription drugs, over-the-counter drugs, illegal drugs, or any other mood altering substances that substantially impair a person's work-related judgment or performance;

(5) revealing personally identifiable facts, data, or information about a decedent, customer, member of the decedent's family, or employee acquired in the practice or business without the prior consent of the individual, except as authorized by law;

(6) intentionally misleading or deceiving any customer in the sale of any goods or services provided by the licensee;

(7) knowingly making a false statement in the procuring, preparation, or filing of any required permit or document; or

(8) knowingly making a false statement on a record of death.

Sec. 72. Minnesota Statutes 2020, section 149A.90, subdivision 2, is amended to read:

Subd. 2. **Removal from place of death.** No person subject to regulation under this chapter shall remove or cause to be removed any dead human body from the place of death without being licensed or registered by the commissioner. Every dead human body shall be removed from the place of death by a licensed mortician or funeral director, except as provided in section 149A.01, subdivision 3, or 149A.47.

Sec. 73. Minnesota Statutes 2020, section 149A.90, subdivision 4, is amended to read:

Subd. 4. **Certificate of removal.** No dead human body shall be removed from the place of death by a mortician ~~or,~~ funeral director, or transfer care specialist or by a noncompensated person with the right to control the dead human body without the completion of a certificate of removal and, where possible, presentation of a copy of that certificate to the person or a representative of the legal entity with physical or legal custody of the body at the death site. The certificate of removal shall be in the format provided by the commissioner that contains, at least, the following information:

(1) the name of the deceased, if known;

(2) the date and time of removal;

(3) a brief listing of the type and condition of any personal property removed with the body;

(4) the location to which the body is being taken;

(5) the name, business address, and license number of the individual making the removal; and

(6) the signatures of the individual making the removal and, where possible, the individual or representative of the legal entity with physical or legal custody of the body at the death site.

Sec. 74. Minnesota Statutes 2020, section 149A.90, subdivision 5, is amended to read:

Subd. 5. **Retention of certificate of removal.** A copy of the certificate of removal shall be given, where possible, to the person or representative of the legal entity having physical or legal custody of the body at the death site. The original certificate of removal shall be retained by the individual making the removal and shall be kept on file, at the funeral establishment to which the body was taken, for a period of three calendar years following the date of the removal. If the removal was performed by a transfer care specialist not employed by the funeral establishment to which the body was taken, the transfer care specialist shall retain a copy of the certificate on file at the transfer care specialist's business address as registered with the commissioner for a period of three calendar years following the date of removal. Following this period, and subject to any other laws requiring retention of records, the funeral establishment may then place the records in storage or reduce them to microfilm, microfiche, laser disc, or any other method that can produce an accurate reproduction of the original record, for retention for a period of ten calendar years from the date of the removal of the body. At the end of this period and subject to any other laws requiring retention of records, the funeral establishment may destroy the records by shredding, incineration, or any other manner that protects the privacy of the individuals identified in the records.

Sec. 75. Minnesota Statutes 2020, section 149A.94, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Every dead human body lying within the state, except unclaimed bodies delivered for dissection by the medical examiner, those delivered for anatomical study pursuant to section 149A.81, subdivision 2, or lawfully carried through the state for the purpose of disposition elsewhere; and the remains of any dead human body after dissection or anatomical study, shall be decently buried or entombed in a public or private cemetery, alkaline hydrolyzed, or cremated within a reasonable time after death. Where final disposition of a body will not be accomplished within 72 hours following death or release of the body by a competent authority with jurisdiction over the body, the body must be properly embalmed, refrigerated, or packed with dry ice. A body may not be ~~kept in refrigeration for a period exceeding six calendar days, or~~ packed in dry ice for a period that exceeds four calendar days, from the time of death or release of the body from the coroner or medical examiner. A body may be kept in refrigeration for up to 30 calendar days from the time of death or release of the body from the coroner or medical examiner, provided the dignity of the body is maintained and the funeral establishment complies with paragraph (b) if applicable. A body may be kept in refrigeration for more than 30 calendar days from the time of death or release of the body from the coroner or medical examiner in accordance with paragraphs (c) and (d).

(b) For a body to be kept in refrigeration for between 15 and 30 calendar days, no later than the 14th day of keeping the body in refrigeration the funeral establishment must notify the person with the right to control final disposition that the body will be kept in refrigeration for more than 14 days and that the person with the right to control final disposition has the right to seek other arrangements.

(c) For a body to be kept in refrigeration for more than 30 calendar days, the funeral establishment must:

(1) report at least the following to the commissioner on a form and in a manner prescribed by the commissioner: body identification details determined by the commissioner, the funeral establishment's plan to achieve final disposition of the body within the permitted time frame, and other information required by the commissioner; and

(2) store each refrigerated body in a manner that maintains the dignity of the body.

(d) Each report filed with the commissioner under paragraph (c) authorizes a funeral establishment to keep a body in refrigeration for an additional 30 calendar days.

(e) Failure to submit a report required by paragraph (c) subjects a funeral establishment to enforcement under this chapter.

Sec. 76. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 1a. **Bona fide labor organization.** "Bona fide labor organization" means a labor union that represents or is actively seeking to represent workers of a medical cannabis manufacturer.

Sec. 77. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 5d. **Indian lands.** "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota title which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

Sec. 78. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 5e. **Labor peace agreement.** "Labor peace agreement" means an agreement between a medical cannabis manufacturer and a bona fide labor organization that protects the state's interests by, at a minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the manufacturer. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.

Sec. 79. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 15. **Tribal medical cannabis board.** "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by each Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

Sec. 80. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 16. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

Sec. 81. Minnesota Statutes 2020, section 152.22, is amended by adding a subdivision to read:

Subd. 17. **Tribal medical cannabis program patient.** "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal Nation within the boundaries of Minnesota and that verifies that the person is enrolled in or authorized to participate in that Tribal Nation's Tribal medical cannabis program.

Sec. 82. Minnesota Statutes 2020, section 152.25, subdivision 1, is amended to read:

Subdivision 1. **Medical cannabis manufacturer registration and renewal.** (a) The commissioner shall register ~~two~~ at least four and up to ten in-state manufacturers for the production of all medical cannabis within the state. ~~A~~ The registration ~~agreement between the commissioner and a manufacturer~~ is valid for two years, unless revoked under subdivision 1a, and is nontransferable. ~~The commissioner shall register new manufacturers or reregister the existing manufacturers by December 1 every two years, using the factors described in this subdivision. The commissioner shall accept applications after December 1, 2014, if one of the manufacturers registered before December 1, 2014, ceases to be registered as a manufacturer. The commissioner's determination that no manufacturer exists to fulfill the duties under sections 152.22 to 152.37 is subject to judicial review in Ramsey County District Court.~~ Once the commissioner has registered more than two manufacturers, registration renewal for at least one manufacturer must occur each year. The commissioner shall begin registering additional manufacturers by December 1, 2022. The commissioner shall renew a registration if the manufacturer meets the factors described in this subdivision and submits the registration renewal fee under section 152.35.

(b) An individual or entity seeking registration or registration renewal under this subdivision must apply to the commissioner in a form and manner established by the commissioner. As part of the application, the applicant must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement. Before accepting applications for registration or registration renewal, the commissioner must publish on the Office of Medical Cannabis website the application scoring criteria established by the commissioner to determine whether the applicant meets requirements for registration or registration renewal. Data submitted during the application process are private data on individuals or nonpublic data as defined in section 13.02 until the manufacturer is registered under this section. Data on a manufacturer that is registered are public data, unless the data are trade secret or security information under section 13.37.

~~(b)~~ (c) As a condition for registration~~, a manufacturer must agree to~~ or registration renewal:

~~(1) begin supplying medical cannabis to patients by July 1, 2015; and~~

~~(2)~~ (1) a manufacturer must comply with all requirements under sections 152.22 to 152.37~~.~~;

(2) if the manufacturer is a business entity, the manufacturer must be incorporated in the state or otherwise formed or organized under the laws of the state; and

(3) the manufacturer must fulfill commitments made in the application for registration or registration renewal, including but not limited to maintenance of a labor peace agreement.

~~(c)~~ (d) The commissioner shall consider the following factors when determining which manufacturer to register or when determining whether to renew a registration:

(1) the technical expertise of the manufacturer in cultivating medical cannabis and converting the medical cannabis into an acceptable delivery method under section 152.22, subdivision 6;

(2) the qualifications of the manufacturer's employees;

(3) the long-term financial stability of the manufacturer;

(4) the ability to provide appropriate security measures on the premises of the manufacturer;

(5) whether the manufacturer has demonstrated an ability to meet the medical cannabis production needs required by sections 152.22 to 152.37; ~~and~~

(6) the manufacturer's projection and ongoing assessment of fees on patients with a qualifying medical condition~~.~~;

(7) the manufacturer's inclusion of leadership or beneficial ownership, as defined in section 302A.011, subdivision 41, by:

(i) minority persons as defined in section 116M.14, subdivision 6;

(ii) women;

(iii) individuals with disabilities as defined in section 363A.03, subdivision 12; or

(iv) military veterans who satisfy the requirements of section 197.447;

(8) the extent to which registering the manufacturer or renewing the registration will expand service to a currently underserved market;

(9) the extent to which registering the manufacturer or renewing the registration will promote development in a low-income area as defined in section 116J.982, subdivision 1, paragraph (e);

(10) beneficial ownership as defined in section 302A.011, subdivision 41, of the manufacturer by Minnesota residents; and

(11) other factors the commissioner determines are necessary to protect patient health and ensure public safety.

(e) Commitments made by an applicant in the applicant's application for registration or registration renewal, including but not limited to maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining a manufacturer registration.

~~(d)~~ (f) If an officer, director, or controlling person of the manufacturer pleads or is found guilty of intentionally diverting medical cannabis to a person other than allowed by law under section 152.33, subdivision 1, the commissioner may decide not to renew the registration of the manufacturer, provided the violation occurred while the person was an officer, director, or controlling person of the manufacturer.

~~(c) The commissioner shall require each medical cannabis manufacturer to contract with an independent laboratory to test medical cannabis produced by the manufacturer. The commissioner shall approve the laboratory chosen by each manufacturer and require that the laboratory report testing results to the manufacturer in a manner determined by the commissioner.~~

Sec. 83. Minnesota Statutes 2020, section 152.25, is amended by adding a subdivision to read:

Subd. 1d. **Background study.** (a) Before the commissioner registers a manufacturer or renews a registration, each officer, director, and controlling person of the manufacturer must consent to a background study and must submit to the commissioner a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees. The commissioner must submit these materials to the Bureau of Criminal Apprehension. The bureau must conduct a Minnesota criminal history records check, and the superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation to obtain national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the commissioner.

(b) The commissioner must not register a manufacturer or renew a registration if an officer, director, or controlling person of the manufacturer has been convicted of, pled guilty to, or received a stay of adjudication for:

(1) a violation of state or federal law related to theft, fraud, embezzlement, breach of fiduciary duty, or other financial misconduct that is a felony under Minnesota law or would be a felony if committed in Minnesota; or

(2) a violation of state or federal law relating to unlawful manufacture, distribution, prescription, or dispensing of a controlled substance that is a felony under Minnesota law or would be a felony if committed in Minnesota.

Sec. 84. Minnesota Statutes 2020, section 152.29, subdivision 4, is amended to read:

Subd. 4. **Report.** (a) Each manufacturer shall report to the commissioner on a monthly basis the following information on each individual patient for the month prior to the report:

(1) the amount and dosages of medical cannabis distributed;

(2) the chemical composition of the medical cannabis; and

(3) the tracking number assigned to any medical cannabis distributed.

(b) For transactions involving Tribal medical cannabis program patients, each manufacturer shall report to the commissioner on a weekly basis the following information on each individual Tribal medical cannabis program patient for the week prior to the report:

(1) the name of the Tribal medical cannabis program in which the Tribal medical cannabis program patient is enrolled;

(2) the amount and dosages of medical cannabis distributed;

(3) the chemical composition of the medical cannabis; and

(4) the tracking number assigned to the medical cannabis distributed.

Sec. 85. Minnesota Statutes 2020, section 152.29, is amended by adding a subdivision to read:

Subd. 5. **Distribution to Tribal medical cannabis program patient.** (a) A manufacturer may distribute medical cannabis in accordance with subdivisions 1 to 4 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

(2) a valid photographic identification card issued by the Tribal medical cannabis program, valid driver's license, or valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 152.22, subdivision 6.

Sec. 86. **[152.291] TRIBAL MEDICAL CANNABIS PROGRAM; MANUFACTURERS.**

Subdivision 1. **Manufacturer.** Notwithstanding the requirements and limitations in section 152.29, subdivision 1, paragraph (a), a Tribal medical cannabis program operated by a federally recognized Indian Tribe located in Minnesota shall be recognized as a medical cannabis manufacturer.

Subd. 2. **Manufacturer transportation.** (a) A manufacturer registered with a Tribal medical cannabis program may transport medical cannabis to testing laboratories and to other Indian lands in the state.

(b) A manufacturer registered with a Tribal medical cannabis program must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

Sec. 87. Minnesota Statutes 2020, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 and an annual registration fee as determined under section 152.35.

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

Sec. 88. Minnesota Statutes 2020, section 152.32, is amended to read:

152.32 PROTECTIONS FOR REGISTRY PROGRAM PARTICIPATION OR PARTICIPATION IN A TRIBAL MEDICAL CANNABIS PROGRAM.

Subdivision 1. **Presumption.** (a) There is a presumption that a patient enrolled in the registry program under sections 152.22 to 152.37 or a Tribal medical cannabis program patient enrolled in a Tribal medical cannabis program is engaged in the authorized use of medical cannabis.

(b) The presumption may be rebutted:

(1) by evidence that a patient's conduct related to use of medical cannabis was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition; or

(2) by evidence that a Tribal medical cannabis program patient's use of medical cannabis was not for a purpose authorized by the Tribal medical cannabis program.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program~~, or;~~ possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification; or use or possession of medical cannabis or medical cannabis products by a Tribal medical cannabis program patient;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The commissioner, members of a Tribal medical cannabis board, the commissioner's or Tribal medical cannabis board's staff, the commissioner's or Tribal medical cannabis board's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for the participation in the registry program under sections 152.22 to 152.37 or in a Tribal medical cannabis program. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient or a Tribal medical cannabis program patient under sections 152.22 to 152.37 may be admitted as evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court, a Tribal court, or the professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37, or for providing legal assistance to a Tribal medical cannabis program.

(j) Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program, or possession of a verification or equivalent issued by a Tribal medical cannabis program by a person entitled to possess such verification, does not constitute probable cause or reasonable suspicion, nor shall it be used to support a search of the person or property of the person possessing or applying for the registry verification or equivalent, or otherwise subject the person or property of the person to inspection by any governmental agency.

Subd. 3. **Discrimination prohibited.** (a) No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or for the person's status as a Tribal medical cannabis program patient enrolled in a Tribal medical cannabis program, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(b) For the purposes of medical care, including organ transplants, a registry program enrollee's use of medical cannabis under sections 152.22 to 152.37, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by the Tribal medical cannabis program, is considered the equivalent of the authorized use of any other medication used at the discretion of a physician or advanced practice registered nurse and does not constitute the use of an illicit substance or otherwise disqualify a patient from needed medical care.

(c) Unless a failure to do so would violate federal law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon ~~either~~ any of the following:

(1) the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37; ~~or~~

(2) the person's status as a Tribal medical cannabis program patient enrolled in a Tribal medical cannabis program; or

~~(2)~~ (3) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by medical cannabis on the premises of the place of employment or during the hours of employment.

(d) An employee who is required to undergo employer drug testing pursuant to section 181.953 may present verification of enrollment in the patient registry or of enrollment in a Tribal medical cannabis program as part of the employee's explanation under section 181.953, subdivision 6.

(e) A person shall not be denied custody of a minor child or visitation rights or parenting time with a minor child solely based on the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or on the person's status as a Tribal medical cannabis program patient enrolled in a Tribal medical cannabis program. There shall be no presumption of neglect or child endangerment for conduct allowed under sections 152.22 to 152.37 or under a Tribal medical cannabis program, unless the person's behavior is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Sec. 89. Minnesota Statutes 2020, section 152.33, subdivision 1, is amended to read:

Subdivision 1. **Intentional diversion; criminal penalty.** In addition to any other applicable penalty in law, a manufacturer or an agent of a manufacturer who intentionally transfers medical cannabis to a person other than another registered manufacturer, a patient, a registered designated caregiver, a Tribal medical cannabis program patient, or, if listed on the registry verification, a parent, legal guardian, or spouse of a patient is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than $3,000, or both. A person convicted under this subdivision may not continue to be affiliated with the manufacturer and is disqualified from further participation under sections 152.22 to 152.37.

Sec. 90. Minnesota Statutes 2020, section 152.35, is amended to read:

152.35 FEES; DEPOSIT OF REVENUE.

(a) The commissioner shall collect an enrollment fee of ~~$200~~ $40 from patients enrolled under ~~this~~ section 152.27. ~~If the patient provides evidence of receiving Social Security disability insurance (SSDI), Supplemental Security Income (SSI), veterans disability, or railroad disability payments, or being enrolled in medical assistance or MinnesotaCare, then the fee shall be $50. For purposes of this section:~~

~~(1) a patient is considered to receive SSDI if the patient was receiving SSDI at the time the patient was transitioned to retirement benefits by the United States Social Security Administration; and~~

~~(2) veterans disability payments include VA dependency and indemnity compensation.~~

~~Unless a patient provides evidence of receiving payments from or participating in one of the programs specifically listed in this paragraph, the commissioner of health must collect the $200 enrollment fee from a patient to enroll the patient in the registry program.~~ The fees shall be payable annually and are due on the anniversary date of the patient's enrollment. The fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

(b) The commissioner shall collect ~~an~~ a nonrefundable registration application fee of ~~$20,000~~ $10,000 from each entity submitting an application for registration as a medical cannabis manufacturer. Revenue from the fee shall be deposited in the state treasury and credited to the state government special revenue fund.

(c) The commissioner shall establish and collect an annual registration renewal fee from a medical cannabis manufacturer equal to the cost of regulating and inspecting the manufacturer ~~in that year~~ for the upcoming registration period. Revenue from the fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

(d) A medical cannabis manufacturer may charge patients enrolled in the registry program a reasonable fee for costs associated with the operations of the manufacturer. The manufacturer may establish a sliding scale of patient fees based upon a patient's household income and may accept private donations to reduce patient fees.

Sec. 91. Laws 2021, First Special Session chapter 7, article 3, section 44, is amended to read:

Sec. 44. **MENTAL HEALTH CULTURAL COMMUNITY CONTINUING EDUCATION GRANT PROGRAM.**

(a) The commissioner of health shall develop a grant program, in consultation with the relevant mental health licensing boards, to:

(1) provide for the continuing education necessary for social workers, marriage and family therapists, psychologists, and professional clinical counselors to become supervisors for individuals pursuing licensure in mental health professions;

(2) cover the costs when supervision is required for professionals becoming supervisors; and

(3) cover the supervisory costs for mental health practitioners pursuing licensure at the professional level.

(b) Social workers, marriage and family therapists, psychologists, and professional clinical counselors obtaining continuing education and mental health practitioners needing supervised hours to become licensed as professionals under this section must:

(1) be members of communities of color or underrepresented communities as defined in Minnesota Statutes, section 148E.010, subdivision 20, or practice in a mental health professional shortage area; and

(2) ~~work for community mental health providers and~~ agree to deliver at least 25 percent of their yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

Sec. 92. **BENEFIT AND COST ANALYSIS OF A UNIVERSAL HEALTH REFORM PROPOSAL.**

Subdivision 1. **Contract for analysis of proposal.** The commissioner of health shall contract with the University of Minnesota School of Public Health and the Carlson School of Management to conduct an analysis of the benefits and costs of a legislative proposal for a universal health care financing system and a similar analysis of the current health care financing system to assist the state in comparing the proposal to the current system.

Subd. 2. **Proposal.** The commissioner of health, with input from the commissioners of human services and commerce, shall submit to the University of Minnesota for analysis a legislative proposal known as the Minnesota Health Plan that would offer a universal health care plan designed to meet the following principles:

(1) ensure all Minnesotans are covered;

(2) cover all necessary care, including dental, vision and hearing, mental health, chemical dependency treatment, prescription drugs, medical equipment and supplies, long-term care, and home care; and

(3) allow patients to choose their doctors, hospitals, and other providers.

Subd. 3. **Proposal analysis.** (a) The analysis must measure the performance of both the Minnesota Health Plan and the current health care financing system over a ten-year period to contrast the impact on:

(1) the number of people covered versus the number of people who continue to lack access to health care because of financial or other barriers, if any;

(2) the completeness of the coverage and the number of people lacking coverage for dental, long-term care, medical equipment or supplies, vision and hearing, or other health services that are not covered, if any;

(3) the adequacy of the coverage, the level of underinsured in the state, and whether people with coverage can afford the care they need or whether cost prevents them from accessing care;

(4) the timeliness and appropriateness of the care received and whether people turn to inappropriate care such as emergency rooms because of a lack of proper care in accordance with clinical guidelines; and

(5) total public and private health care spending in Minnesota under the current system versus under the legislative proposal, including all spending by individuals, businesses, and government. "Total public and private health care spending" means spending on all medical care including but not limited to dental, vision and hearing, mental health, chemical dependency treatment, prescription drugs, medical equipment and supplies, long-term care, and home care, whether paid through premiums, co-pays and deductibles, other out-of-pocket payments, or other funding from government, employers, or other sources. Total public and private health care spending also includes the costs associated with administering, delivering, and paying for the care. The costs of administering, delivering, and paying for the care includes all expenses by insurers, providers, employers, individuals, and government to select, negotiate, purchase, and administer insurance and care including but not limited to coverage for health care, dental, long-term care, prescription drugs, medical expense portions of workers compensation and automobile insurance, and the cost of administering and paying for all health care products and services that are not covered by insurance. The analysis of total health care spending shall examine whether there are savings or additional costs under the legislative proposal compared to the existing system due to:

(i) reduced insurance, billing, underwriting, marketing, evaluation, and other administrative functions including savings from global budgeting for hospitals and institutional care instead of billing for individual services provided;

(ii) reduced prices on medical services and products including pharmaceuticals due to price negotiations, if applicable under the proposal;

(iii) changes in utilization, better health outcomes, and reduced time away from work due to prevention, early intervention, health-promoting activities, and to the extent possible given available data and resources;

(iv) shortages or excess capacity of medical facilities and equipment under either the current system or the proposal;

(v) the impact on state, local, and federal government non-health-care expenditures such as reduced crime and out-of-home placement costs due to mental health or chemical dependency coverage; and

(vi) job losses or gains in health care delivery, health billing and insurance administration, and elsewhere in the economy under the proposal due to implementation of the reforms and the resulting reduction of insurance and administrative burdens on businesses.

(b) The analysts may consult with authors of the legislative proposal to gain understanding or clarification of the specifics of the proposal. The analysis shall assume that the provisions in the proposal are not preempted by federal law or that the federal government gives a waiver to the preemptions.

(c) The commissioner shall issue a final report by January 15, 2023, and may provide interim reports and status updates to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Sec. 93. **NURSING WORKFORCE REPORT.**

The commissioner of health shall provide a public report on the following topics:

(1) Minnesota's supply of active licensed registered nurses;

(2) trends in Minnesota regarding retention by hospitals of licensed registered nurses;

(3) reasons licensed registered nurses are leaving direct care positions at hospitals; and

(4) reasons licensed registered nurses are choosing not to renew their licenses and leaving the profession.

Sec. 94. **EMMETT LOUIS TILL VICTIMS RECOVERY PROGRAM.**

Subdivision 1. **Short title.** This section shall be known as the Emmett Louis Till Victims Recovery Program.

Subd. 2. **Program established; grants.** (a) The commissioner of health shall establish the Emmett Louis Till Victims Recovery Program to address the health and wellness needs of victims who experienced trauma, including historical trauma, resulting from government-sponsored activities, and to address the health and wellness needs of the families and heirs of these victims.

(b) The commissioner, in consultation with family members of victims who experienced trauma resulting from government-sponsored activities and with community-based organizations that provide culturally appropriate services to victims experiencing trauma and their families, shall award competitive grants to applicants for projects to provide the following services to victims who experienced trauma resulting from government-sponsored activities and their families and heirs:

(1) health and wellness services, which may include services and support to address physical health, mental health, and cultural needs;

(2) remembrance and legacy preservation activities;

(3) cultural awareness services; and

(4) community resources and services to promote healing for victims who experienced trauma resulting from government-sponsored activities and their families and heirs.

(c) In awarding grants under this section, the commissioner must prioritize grant awards to community-based organizations experienced in providing support and services to victims and families who experienced trauma resulting from government-sponsored activities.

Subd. 3. **Evaluation.** Grant recipients must provide the commissioner with information required by the commissioner to evaluate the grant program, in a time and manner specified by the commissioner.

Subd. 4. **Report.** By January 15, 2023, the commissioner must submit a status report on the operation and results of the grant program, to the extent possible. The report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over health care. The report must include information on grant program activities to date, services offered by grant recipients, and an assessment of the need to continue to offer services to victims, families, and heirs who experienced trauma resulting from government-sponsored activities.

Sec. 95. **IDENTIFY STRATEGIES FOR REDUCTION OF ADMINISTRATIVE SPENDING AND LOW-VALUE CARE; REPORT.**

(a) The commissioner of health shall develop recommendations for strategies to reduce the volume and growth of administrative spending by health care organizations and group purchasers and the amount of low-value care delivered to Minnesota residents. In support of the development of recommendations, the commissioner shall:

(1) review the availability of data and identify gaps in the data infrastructure to estimate aggregated and disaggregated administrative spending and low-value care;

(2) based on available data, estimate the volume and change over time of administrative spending and low-value care in Minnesota;

(3) conduct an environmental scan and key informant interviews with experts in health care finance, health economics, health care management or administration, or the administration of health insurance benefits to identify drivers of spending growth for spending on administrative services or the provision of low-value care; and

(4) convene a clinical learning community and an employer task force to review the evidence from clauses (1) to (3) and develop a set of actionable strategies to address administrative spending volume and growth and the magnitude of the volume of low-value care.

(b) By December 15, 2024, the commissioner shall report the recommendations to the chairs and ranking members of the legislative committees with jurisdiction over health and human services financing and policy.

Sec. 96. **INITIAL IMPLEMENTATION OF THE KEEPING NURSES AT THE BEDSIDE ACT.**

(a) By April 1, 2024, each hospital must establish and convene a hospital nurse staffing committee as described under Minnesota Statutes, section 144.7053.

(b) By June 1, 2024, each hospital must implement core staffing plans developed by its hospital nurse staffing committee and satisfy the plan posting requirements under Minnesota Statutes, section 144.7056.

(c) By June 1, 2024, each hospital must submit to the commissioner of health core staffing plans meeting the requirements of Minnesota Statutes, section 144.7055.

Sec. 97. **LEAD SERVICE LINE INVENTORY GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health must establish a grant program to provide financial assistance to municipalities for producing an inventory of publicly and privately owned lead service lines within their jurisdiction.

Subd. 2. **Eligible uses.** A municipality receiving a grant under this section may use the grant funds to:

(1) survey households to determine the material of which their water service line is made;

(2) create publicly available databases or visualizations of lead service lines; and

(3) comply with the lead service line inventory requirements in the Environmental Protection Agency's Lead and Copper Rule.

Sec. 98. **PAYMENT MECHANISMS IN RURAL HEALTH CARE.**

The commissioner shall develop a plan to assess readiness of rural communities and rural health care providers to adopt value-based, global budgeting, or alternative payment systems and recommend steps needed to implement. The commissioner may use the development of case studies and modeling of alternate payment systems to demonstrate value-based payment systems that ensure a baseline level of essential community or regional health services and address population health needs. The commissioner shall develop recommendations for pilot projects by January 1, 2025, with the aim of ensuring financial viability of rural health care systems in the context of spending growth targets. The commissioner shall share findings with the Minnesota Health Care Spending Growth Target Commission.

Sec. 99. **PROGRAM TO DISTRIBUTE COVID-19 TESTS, MASKS, AND RESPIRATORS.**

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

(b) "Antigen test" means a lateral flow immunoassay intended for the qualitative detection of nucleocapsid protein antigens from the SARS-CoV-2 virus in nasal swabs, that has emergency use authorization from the United States Food and Drug Administration and that is authorized for nonprescription home use with self-collected nasal swabs.

(c) "COVID-19 test" means a test authorized by the United States Food and Drug Administration to detect the presence of genetic material of the SARS-CoV-2 virus either through a molecular method that detects the RNA or nucleic acid component of the virus, such as polymerase chain reaction or isothermal amplification, or through a rapid lateral flow immunoassay that detects the nucleocapsid protein antigens from the SARS-CoV-2 virus.

(d) "KN95 respirator" means a type of filtering facepiece respirator that is commonly made and used in China, is designed and tested to meet an international standard, and does not include an exhalation valve.

(e) "Mask" means a face covering intended to contain droplets and particles in a person's breath, cough, or sneeze.

(f) "Respirator" means a face covering that filters the air and fits closely on the face to filter out particles, including the SARS-CoV-2 virus.

Subd. 2. **Program established.** In order to help reduce the number of cases of COVID-19 in the state, the commissioner of health must administer a program to distribute to individuals in Minnesota, COVID-19 tests, including antigen tests; and masks and respirators, including KN95 respirators and similar respirators approved by the Centers for Disease Control and Prevention and authorized by the commissioner for distribution under this program. Masks and respirators distributed under this program may include child-sized masks and respirators, if such masks and respirators are available and the commissioner finds there is a need for them. COVID-19 tests, masks, and respirators must be distributed at no cost to the individuals receiving them and may be shipped directly to individuals; distributed through local health departments, COVID community coordinators, and other community-based organizations; and distributed through other means determined by the commissioner. The commissioner may prioritize distribution under this section to communities and populations who are disproportionately impacted by COVID-19 or who have difficulty accessing COVID-19 tests, masks, or respirators.

Subd. 3. **Process to order COVID-19 tests, masks, and respirators.** The commissioner may establish a process for individuals to order COVID-19 tests, masks, and respirators to be shipped directly to the individual.

Subd. 4. **Notice.** An entity distributing KN95 respirators or similar respirators under this section may include with the respirators a notice that individuals with a medical condition that may make it difficult to wear a KN95 respirator or similar respirator should consult with a health care provider before use.

Subd. 5. **Coordination.** The commissioner may coordinate this program with other state and federal programs that distribute COVID-19 tests, masks, or respirators to the public.

Sec. 100. **REPORT ON TRANSPARENCY OF HEALTH CARE PAYMENTS.**

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

(b) "Commissioner" means the commissioner of health.

(c) "Non-claims-based payments" means payments to health care providers designed to support and reward value of health care services over volume of health care services and includes alternative payment models or incentives, payments for infrastructure expenditures or investments, and payments for workforce expenditures or investments.

(d) "Nonpublic data" has the meaning given in Minnesota Statutes, section 13.02, subdivision 9.

(e) "Primary care services" means integrated, accessible health care services provided by clinicians who are accountable for addressing a large majority of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community. Primary care services include but are not limited to preventive services, office visits, administration of vaccines, annual physicals, pre-operative physicals, assessments, care coordination, development of treatment plans, management of chronic conditions, and diagnostic tests.

Subd. 2. **Report.** (a) To provide the legislature with information needed to meet the evolving health care needs of Minnesotans, the commissioner shall report to the legislature by February 15, 2023, on the volume and distribution of health care spending across payment models used by health plan companies and third-party administrators, with a particular focus on value-based care models and primary care spending.

(b) The report must include specific health plan and third-party administrator estimates of health care spending for claims-based payments and non-claims-based payments for the most recent available year, reported separately for Minnesotans enrolled in state health care programs, Medicare Advantage, and commercial health insurance. The report must also include recommendations on changes needed to gather better data from health plan companies and third-party administrators on the use of value-based payments that pay for value of health care services provided over volume of services provided, promote the health of all Minnesotans, reduce health disparities, and support the provision of primary care services and preventive services.

(c) In preparing the report, the commissioner shall:

(1) describe the form, manner, and timeline for submission of data by health plan companies and third-party administrators to produce estimates as specified in paragraph (b);

(2) collect summary data that permits the computation of:

(i) the percentage of total payments that are non-claims-based payments; and

(ii) the percentage of payments in item (i) that are for primary care services;

(3) where data was not directly derived, specify the methods used to estimate data elements;

(4) notwithstanding Minnesota Statutes, section 62U.04, subdivision 11, conduct analyses of the magnitude of primary care payments using data collected by the commissioner under Minnesota Statutes, section 62U.04; and

(5) conduct interviews with health plan companies and third-party administrators to better understand the types of non-claims-based payments and models in use, the purposes or goals of each, the criteria for health care providers to qualify for these payments, and the timing and structure of health plan companies or third-party administrators making these payments to health care provider organizations.

(d) Health plan companies and third-party administrators must comply with data requests from the commissioner under this section within 60 days after receiving the request.

(e) Data collected under this section are nonpublic data. Notwithstanding the definition of summary data in Minnesota Statutes, section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data maintained by the commissioner.

Sec. 101. **SAFETY IMPROVEMENTS FOR STATE LICENSED LONG-TERM CARE FACILITIES.**

Subdivision 1. **Temporary grant program for long-term care safety improvements.** The commissioner of health shall develop, implement, and manage a temporary, competitive grant process for state-licensed long-term care facilities to improve their ability to reduce the transmission of COVID-19 or other similar conditions.

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

(b) "Eligible facility" means:

(1) an assisted living facility licensed under chapter 144G;

(2) a supervised living facility licensed under chapter 144;

(3) a board and care facility that is not federally certified and is licensed under chapter 144; and

(4) a nursing home that is not federally certified and is licensed under chapter 144A.

(c) "Eligible project" means a modernization project to update, remodel or replace outdated equipment, systems, technology, or physical spaces.

Subd. 3. **Program.** (a) The commissioner of health shall award improvement grants to an eligible facility. An improvement grant shall not exceed $1,250,000.

(b) Funds may be used to improve the safety, quality of care, and livability of aging infrastructure in a Department of Health licensed eligible facility with an emphasis on reducing the transmission risk of COVID-19 and other infections. Projects include but are not limited to:

(1) heating, ventilation, and air-conditioning systems improvements to reduce airborne exposures;

(2) physical space changes for infection control; and

(3) technology improvements to reduce social isolation and improve resident or client well-being.

(c) Notwithstanding any law to the contrary, funds awarded in a grant agreement do not lapse until expended by the grantee.

Subd. 4. **Applications.** An eligible facility seeking a grant shall apply to the commissioner. The application must include a description of the resident population demographics, the problem the proposed project will address, a description of the project including construction and remodeling drawings or specifications, sources of funds for the project, including any in-kind resources, uses of funds for the project, the results expected, and a plan to maintain or operate any facility or equipment included in the project. The applicant must describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organization. An applicant must submit to the commissioner evidence that competitive bidding was used to select contractors for the project.

Subd. 5. **Consideration of applications.** The commissioner shall review each application to determine if the application is complete and if the facility and the project are eligible for a grant. In evaluating applications, the commissioner shall develop a standardized scoring system that assesses: (1) the applicant's understanding of the problem, description of the project and the likelihood of a successful outcome of the project; (2) the extent to which the project will reduce the transmission of COVID-19; (3) the extent to which the applicant has demonstrated that it has made adequate provisions to ensure proper and efficient operation of the facility once the project is completed; (4) and other relevant factors as determined by the commissioner. During application review, the commissioner may request additional information about a proposed project, including information on project cost. Failure to provide the information requested disqualifies an applicant.

Subd. 6. **Program oversight.** The commissioner shall determine the amount of a grant to be given to an eligible facility based on the relative score of each eligible facility's application, other relevant factors discussed during the review, and the funds available to the commissioner. During the grant period and within one year after completion of the grant period, the commissioner may collect from an eligible facility receiving a grant, any information necessary to evaluate the program.

Subd. 7. **Expiration.** This section expires June 30, 2025.

Sec. 102. **STUDY OF THE DEVELOPMENT OF A STATEWIDE REGISTRY FOR PROVIDER ORDERS FOR LIFE-SUSTAINING TREATMENT.**

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

(b) "Commissioner" means the commissioner of health.

(c) "Life-sustaining treatment" means any medical procedure, pharmaceutical drug, medical device, or medical intervention that maintains life by sustaining, restoring, or supplanting a vital function. Life-sustaining treatment does not include routine care necessary to sustain patient cleanliness and comfort.

(d) "POLST" means a provider order for life-sustaining treatment, signed by a physician, advanced practice registered nurse, or physician assistant, to ensure that the medical treatment preferences of a patient with an advanced serious illness who is nearing the end of the their life are honored.

(e) "POLST form" means a portable medical form used to communicate a physician's order to help ensure that a patient's medical treatment preferences are conveyed to emergency medical service personnel and other health care providers.

Subd. 2. **Study.** (a) The commissioner, in consultation with the advisory committee established in paragraph (c), shall study the issues related to creating a statewide registry of POLST forms to ensure that a patient's medical treatment preferences are followed by all health care providers. The registry must allow for the submission of completed POLST forms and for the forms to be accessed by health care providers and emergency medical service personnel in a timely manner, for the provision of care or services.

(b) As a part of the study, the commissioner shall develop recommendations on the following:

(1) electronic capture, storage, and security of information in the registry;

(2) procedures to protect the accuracy and confidentiality of information submitted to the registry;

(3) limits as to who can access the registry;

(4) where the registry should be housed;

(5) ongoing funding models for the registry; and

(6) any other action needed to ensure that patients' rights are protected and that their health care decisions are followed.

(c) The commissioner shall create an advisory committee with members representing physicians, physician assistants, advanced practice registered nurses, nursing homes, emergency medical system providers, hospice and palliative care providers, the disability community, attorneys, medical ethicists, and the religious community.

Subd. 3. **Report.** The commissioner shall submit a report on the results of the study, including recommendations on establishing a statewide registry of POLST forms, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by February 1, 2023.

Sec. 103. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall codify Laws 2021, First Special Session chapter 7, article 3, section 44, as Minnesota Statutes, section 144.1512. The revisor of statutes may make any necessary cross-reference changes.

(b) The revisor of statutes shall correct cross-references in Minnesota Statutes to conform with the relettering of paragraphs in Minnesota Statutes, section 144.1501, subdivision 1.

(c) In Minnesota Statutes, section 144.7055, the revisor shall renumber paragraphs (b) to (e) alphabetically as individual subdivisions under Minnesota Statutes, section 144.7051. The revisor shall make any necessary changes to sentence structure for this renumbering while preserving the meaning of the text. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

(d) The revisor of statutes shall renumber Minnesota Statutes, sections 145A.145 and 145A.17, as new sections following Minnesota Statutes, section 145.871. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

ARTICLE 2
DEPARTMENT OF HEALTH POLICY

Section 1. Minnesota Statutes 2021 Supplement, 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 classification for reimbursement include ~~the following~~:

(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 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) any significant correction to a prior comprehensive assessment, if the assessment being corrected is the current one being used for RUG classification;

(6) any significant correction to a prior quarterly review assessment, if the assessment being corrected is the current one being used for RUG classification;

(7) a required significant change in status assessment when:

(i) all speech, occupational, and physical therapies have ended. If the most recent OBRA comprehensive or quarterly assessment completed does not result in a rehabilitation case mix classification, then the significant change in status assessment is not required. The ARD of this assessment must be set on day eight after all therapy services have ended; and

(ii) isolation for an infectious disease has ended. If isolation was not coded on the most recent OBRA comprehensive or quarterly assessment completed, then the significant change in status assessment is not required. The ARD of this assessment must be set on day 15 after isolation has ended; and

(8) any modifications to the most recent assessments under clauses (1) to (7).

(c) In addition to the assessments listed in paragraph (b), 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 4e, 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.

Sec. 2. Minnesota Statutes 2020, section 144.1201, subdivision 2, is amended to read:

Subd. 2. ~~**By-product nuclear**~~ **Byproduct material.** "~~By-product nuclear~~ Byproduct material" means ~~a radioactive material, other than special nuclear material, yielded in or made radioactive by exposure to radiation created incident to the process of producing or utilizing special nuclear material.~~:

(1) any radioactive material, except special nuclear material, yielded in or made radioactive by exposure to the radiation incident to the process of producing or using special nuclear material;

(2) the tailings or wastes produced by the extraction or concentration of uranium or thorium from ore processed primarily for its source material content, including discrete surface wastes resulting from uranium solution extraction processes. Underground ore bodies depleted by these solution extraction operations do not constitute byproduct material within this definition;

(3) any discrete source of radium-226 that is produced, extracted, or converted after extraction for commercial, medical, or research activity, or any material that:

(i) has been made radioactive by use of a particle accelerator; and

(ii) is produced, extracted, or converted after extraction for commercial, medical, or research activity; and

(4) any discrete source of naturally occurring radioactive material, other than source nuclear material, that:

(i) the United States Nuclear Regulatory Commission, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Energy, the Secretary of Homeland Security, and the head of any other appropriate federal agency determines would pose a threat similar to the threat posed by a discrete source of radium-226 to the public health and safety or the common defense and security; and

(ii) is extracted or converted after extraction for use in a commercial, medical, or research activity.

Sec. 3. Minnesota Statutes 2020, section 144.1201, subdivision 4, is amended to read:

Subd. 4. **Radioactive material.** "Radioactive material" means a matter that emits radiation. Radioactive material includes special nuclear material, source nuclear material, and ~~by-product nuclear~~ byproduct material.

Sec. 4. Minnesota Statutes 2021 Supplement, section 144.1481, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** The commissioner of health shall establish a ~~16-member~~ 21-member Rural Health Advisory Committee. The committee shall consist of the following members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathic medicine licensed under chapter 147;

(7) a dentist licensed under chapter 150A;

(8) ~~a midlevel practitioner~~ an advanced practice provider;

(9) a registered nurse or licensed practical nurse;

(10) a licensed health care professional from an occupation not otherwise represented on the committee;

(11) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; ~~and~~

(12) a member of a Tribal nation;

(13) a representative of a local public health agency or community health board;

(14) a health professional or advocate with experience working with people with mental illness;

(15) a representative of a community organization that works with individuals experiencing health disparities;

(16) an individual with expertise in economic development, or an employer working outside the seven-county metropolitan area; and

~~(12)~~ (17) three consumers, at least one of whom must be ~~an advocate for persons who are mentally ill or developmentally disabled~~ from a community experiencing health disparities.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The advisory committee is governed by section 15.059, except that the members do not receive per diem compensation.

Sec. 5. Minnesota Statutes 2020, section 144.292, subdivision 6, is amended to read:

Subd. 6. **Cost.** (a) When a patient requests a copy of the patient's record for purposes of reviewing current medical care, the provider must not charge a fee.

(b) When a provider or its representative makes copies of patient records upon a patient's request under this section, the provider or its representative may charge the patient or the patient's representative no more than 75 cents per page, plus $10 for time spent retrieving and copying the records, unless other law or a rule or contract provide for a lower maximum charge. This limitation does not apply to x-rays. The provider may charge a patient no more than the actual cost of reproducing x-rays, plus no more than $10 for the time spent retrieving and copying the x-rays.

(c) The respective maximum charges of 75 cents per page and $10 for time provided in this subdivision are in effect for calendar year 1992 and may be adjusted annually each calendar year as provided in this subdivision. The permissible maximum charges shall change each year by an amount that reflects the change, as compared to the previous year, in the Consumer Price Index for all Urban Consumers, Minneapolis-St. Paul (CPI-U), published by the Department of Labor.

(d) A provider or its representative may charge the $10 retrieval fee, but must not charge a per page fee to provide copies of records requested by a patient or the patient's authorized representative if the request for copies of records is for purposes of appealing a denial of Social Security disability income or Social Security disability benefits under title II or title XVI of the Social Security Act; except that no fee shall be charged to a ~~person~~ patient who is receiving public assistance, or to a patient who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency. For the purpose of further appeals, a patient may receive no more than two medical record updates without charge, but only for medical record information previously not provided. For purposes of this paragraph, a patient's authorized representative does not include units of state government engaged in the adjudication of Social Security disability claims.

Sec. 6. Minnesota Statutes 2020, section 144.497, is amended to read:

144.497 ST ELEVATION MYOCARDIAL INFARCTION.

The commissioner of health shall assess ~~and report on~~ the quality of care provided in the state for ST elevation myocardial infarction response and treatment. The commissioner shall:

(1) utilize and analyze data provided by ST elevation myocardial infarction receiving centers to the ACTION Registry-Get with the guidelines or an equivalent data platform that does not identify individuals or associate specific ST elevation myocardial infarction heart attack events with an identifiable individual; and

~~(2) quarterly post a summary report of the data in aggregate form on the Department of Health website;~~

~~(3) annually inform the legislative committees with jurisdiction over public health of progress toward improving the quality of care and patient outcomes for ST elevation myocardial infarctions; and~~

~~(4)~~ (2) coordinate to the extent possible with national voluntary health organizations involved in ST elevation myocardial infarction heart attack quality improvement to encourage ST elevation myocardial infarction receiving centers to report data consistent with nationally recognized guidelines on the treatment of individuals with confirmed ST elevation myocardial infarction heart attacks within the state and encourage sharing of information among health care providers on ways to improve the quality of care of ST elevation myocardial infarction patients in Minnesota.

Sec. 7. Minnesota Statutes 2021 Supplement, section 144.551, subdivision 1, is amended to read:

Subdivision 1. **Restricted construction or modification.** (a) The following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

(b) This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied before July 1, 1990, if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site before the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another; or (iii) redistribution of hospital beds within the state or a region of the state;

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; (iv) the relocation or redistribution does not involve the construction of a new hospital building; and (v) the transferred beds are used first to replace within the hospital corporate system the total number of beds previously used in the closed facility site or complex for mental health services and substance use disorder services. Only after the hospital corporate system has fulfilled the requirements of this item may the remainder of the available capacity of the closed facility site or complex be transferred for any other purpose;

(9) a construction project involving up to 35 new beds in a psychiatric hospital in Rice County that primarily serves adolescents and that receives more than 70 percent of its patients from outside the state of Minnesota;

(10) a project to replace a hospital or hospitals with a combined licensed capacity of 130 beds or less if: (i) the new hospital site is located within five miles of the current site; and (ii) the total licensed capacity of the replacement hospital, either at the time of construction of the initial building or as the result of future expansion, will not exceed 70 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

(11) the relocation of licensed hospital beds from an existing state facility operated by the commissioner of human services to a new or existing facility, building, or complex operated by the commissioner of human services; from one regional treatment center site to another; or from one building or site to a new or existing building or site on the same campus;

(12) the construction or relocation of hospital beds operated by a hospital having a statutory obligation to provide hospital and medical services for the indigent that does not result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27 beds, of which 12 serve mental health needs, may be transferred from Hennepin County Medical Center to Regions Hospital under this clause;

(13) a construction project involving the addition of up to 31 new beds in an existing nonfederal hospital in Beltrami County;

(14) a construction project involving the addition of up to eight new beds in an existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

(15) a construction project involving the addition of 20 new hospital beds in an existing hospital in Carver County serving the southwest suburban metropolitan area;

(16) a project for the construction or relocation of up to 20 hospital beds for the operation of up to two psychiatric facilities or units for children provided that the operation of the facilities or units have received the approval of the commissioner of human services;

(17) a project involving the addition of 14 new hospital beds to be used for rehabilitation services in an existing hospital in Itasca County;

(18) a project to add 20 licensed beds in existing space at a hospital in Hennepin County that closed 20 rehabilitation beds in 2002, provided that the beds are used only for rehabilitation in the hospital's current rehabilitation building. If the beds are used for another purpose or moved to another location, the hospital's licensed capacity is reduced by 20 beds;

(19) a critical access hospital established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public Law 105-33, to the extent that the critical access hospital does not seek to exceed the maximum number of beds permitted such hospital under federal law;

(20) notwithstanding section 144.552, a project for the construction of a new hospital in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

(i) the project, including each hospital or health system that will own or control the entity that will hold the new hospital license, is approved by a resolution of the Maple Grove City Council as of March 1, 2006;

(ii) the entity that will hold the new hospital license will be owned or controlled by one or more not-for-profit hospitals or health systems that have previously submitted a plan or plans for a project in Maple Grove as required under section 144.552, and the plan or plans have been found to be in the public interest by the commissioner of health as of April 1, 2005;

(iii) the new hospital's initial inpatient services must include, but are not limited to, medical and surgical services, obstetrical and gynecological services, intensive care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics, behavioral health services, and emergency room services;

(iv) the new hospital:

(A) will have the ability to provide and staff sufficient new beds to meet the growing needs of the Maple Grove service area and the surrounding communities currently being served by the hospital or health system that will own or control the entity that will hold the new hospital license;

(B) will provide uncompensated care;

(C) will provide mental health services, including inpatient beds;

(D) will be a site for workforce development for a broad spectrum of health-care-related occupations and have a commitment to providing clinical training programs for physicians and other health care providers;

(E) will demonstrate a commitment to quality care and patient safety;

(F) will have an electronic medical records system, including physician order entry;

(G) will provide a broad range of senior services;

(H) will provide emergency medical services that will coordinate care with regional providers of trauma services and licensed emergency ambulance services in order to enhance the continuity of care for emergency medical patients; and

(I) will be completed by December 31, 2009, unless delayed by circumstances beyond the control of the entity holding the new hospital license; and

(v) as of 30 days following submission of a written plan, the commissioner of health has not determined that the hospitals or health systems that will own or control the entity that will hold the new hospital license are unable to meet the criteria of this clause;

(21) a project approved under section 144.553;

(22) a project for the construction of a hospital with up to 25 beds in Cass County within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder is approved by the Cass County Board;

(23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing a separately licensed 13-bed skilled nursing facility;

(24) notwithstanding section 144.552, a project for the construction and expansion of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients who are under 21 years of age on the date of admission. The commissioner conducted a public interest review of the mental health needs of Minnesota and the Twin Cities metropolitan area in 2008. No further public interest review shall be conducted for the construction or expansion project under this clause;

(25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;

(26)(i) a project for a 20-bed psychiatric hospital, within an existing facility in the city of Maple Grove, exclusively for patients who are under 21 years of age on the date of admission, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;

(ii) this project shall serve patients in the continuing care benefit program under section 256.9693. The project may also serve patients not in the continuing care benefit program; and

(iii) if the project ceases to participate in the continuing care benefit program, the commissioner must complete a subsequent public interest review under section 144.552. If the project is found not to be in the public interest, the license must be terminated six months from the date of that finding. If the commissioner of human services terminates the contract without cause or reduces per diem payment rates for patients under the continuing care benefit program below the rates in effect for services provided on December 31, 2015, the project may cease to participate in the continuing care benefit program and continue to operate without a subsequent public interest review;

(27) a project involving the addition of 21 new beds in an existing psychiatric hospital in Hennepin County that is exclusively for patients who are under 21 years of age on the date of admission;

(28) a project to add 55 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as designated under section 383A.91, subdivision 5, of which 15 beds are to be used for inpatient mental health and 40 are to be used for other services. In addition, five unlicensed observation mental health beds shall be added;

(29) upon submission of a plan to the commissioner for public interest review under section 144.552 and the addition of the 15 inpatient mental health beds specified in clause (28), to its bed capacity, a project to add 45 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as designated under section 383A.91, subdivision 5. Five of the 45 additional beds authorized under this clause must be designated for use for inpatient mental health and must be added to the hospital's bed capacity before the remaining 40 beds are added. Notwithstanding section 144.552, the hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for the public interest review described in section 144.552; ~~or~~

(30) upon submission of a plan to the commissioner for public interest review under section 144.552, a project to add up to 30 licensed beds in an existing psychiatric hospital in Hennepin County that exclusively provides care to patients who are under 21 years of age on the date of admission. Notwithstanding section 144.552, the psychiatric hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for the public interest review described in section 144.552~~.~~;

(31) a project to add licensed beds in a hospital in Cook County that: (i) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4; (ii) has a licensed bed capacity of fewer than 25 beds; and (iii) has an attached nursing home, so long as the total number of licensed beds in the hospital after the bed addition does not exceed 25 beds; or

(32) upon submission of a plan to the commissioner for public interest review under section 144.552, a project to add 22 licensed beds at a Minnesota freestanding children's hospital in St. Paul that is part of an independent pediatric health system with freestanding inpatient hospitals located in Minneapolis and St. Paul. The beds shall be utilized for pediatric inpatient behavioral health services. Notwithstanding section 144.552, the hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2022 deadline and adheres to the timelines for the public interest review described in section 144.552.

Sec. 8. Minnesota Statutes 2020, section 144.565, subdivision 4, is amended to read:

Subd. 4. **Definitions.** (a) For purposes of this section, the following terms have the meanings given~~:~~.

(b) "Diagnostic imaging facility" means a health care facility that is not a hospital or location licensed as a hospital which offers diagnostic imaging services in Minnesota, regardless of whether the equipment used to provide the service is owned or leased. For the purposes of this section, diagnostic imaging facility includes, but is not limited to, facilities such as a physician's office, clinic, mobile transport vehicle, outpatient imaging center, or surgical center. A dental clinic or office is not considered a diagnostic imaging facility for the purpose of this section when the clinic or office performs diagnostic imaging through dental cone beam computerized tomography.

(c) "Diagnostic imaging service" means the use of ionizing radiation or other imaging technique on a human patient including~~,~~ but not limited to~~,~~ magnetic resonance imaging (MRI) or computerized tomography (CT) other than dental cone beam computerized tomography, positron emission tomography (PET), or single photon emission computerized tomography (SPECT) scans using fixed, portable, or mobile equipment.

(d) "Financial or economic interest" means a direct or indirect:

(1) equity or debt security issued by an entity, including, but not limited to, shares of stock in a corporation, membership in a limited liability company, beneficial interest in a trust, units or other interests in a partnership, bonds, debentures, notes or other equity interests or debt instruments, or any contractual arrangements;

(2) membership, proprietary interest, or co-ownership with an individual, group, or organization to which patients, clients, or customers are referred to; or

(3) employer-employee or independent contractor relationship, including, but not limited to, those that may occur in a limited partnership, profit-sharing arrangement, or other similar arrangement with any facility to which patients are referred, including any compensation between a facility and a health care provider, the group practice of which the provider is a member or employee or a related party with respect to any of them.

(e) "Fixed equipment" means a stationary diagnostic imaging machine installed in a permanent location.

(f) "Mobile equipment" means a diagnostic imaging machine in a self-contained transport vehicle designed to be brought to a temporary offsite location to perform diagnostic imaging services.

(g) "Portable equipment" means a diagnostic imaging machine designed to be temporarily transported within a permanent location to perform diagnostic imaging services.

(h) "Provider of diagnostic imaging services" means a diagnostic imaging facility or an entity that offers and bills for diagnostic imaging services at a facility owned or leased by the entity.

Sec. 9. Minnesota Statutes 2020, section 144.586, is amended by adding a subdivision to read:

Subd. 4. **Screening for eligibility for health coverage or assistance.** (a) A hospital must screen a patient who is uninsured or whose insurance coverage status is not known by the hospital, for eligibility for charity care from the hospital, eligibility for state or federal public health care programs using presumptive eligibility or another similar process, and eligibility for a premium tax credit. The hospital must attempt to complete this screening process in person or by telephone within 30 days after the patient's admission to the hospital.

(b) If the patient is eligible for charity care from the hospital, the hospital must assist the patient in applying for charity care and must refer the patient to the appropriate department in the hospital for follow-up.

(c) If the patient is presumptively eligible for a public health care program, the hospital must assist the patient in completing an insurance affordability program application, help schedule an appointment for the patient with a navigator organization, or provide the patient with contact information for navigator services. If the patient is eligible for a premium tax credit, the hospital may schedule an appointment for the patient with a navigator organization or provide the patient with contact information for navigator services.

(d) A patient may decline to participate in the screening process, to apply for charity care, to complete an insurance affordability program application, to schedule an appointment with a navigator organization, or to accept information about navigator services.

(e) For purposes of this subdivision:

(1) "hospital" means a private, nonprofit, or municipal hospital licensed under sections 144.50 to 144.56;

(2) "navigator" has the meaning given in section 62V.02, subdivision 9;

(3) "premium tax credit" means a tax credit or premium subsidy under the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended, including the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, and any amendments to and federal guidance and regulations issued under these acts; and

(4) "presumptive eligibility" has the meaning given in section 256B.057, subdivision 12.

EFFECTIVE DATE. This section is effective November 1, 2022.

Sec. 10. Minnesota Statutes 2020, section 144.6502, 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) "Commissioner" means the commissioner of health.

(c) "Department" means the Department of Health.

(d) "Electronic monitoring" means the placement and use of an electronic monitoring device ~~by a resident~~ in the resident's room or private living unit in accordance with this section.

(e) "Electronic monitoring device" means a camera or other device that captures, records, or broadcasts audio, video, or both, that is placed in a resident's room or private living unit and is used to monitor the resident or activities in the room or private living unit.

(f) "Facility" means a facility that is:

(1) licensed as a nursing home under chapter 144A;

(2) licensed as a boarding care home under sections 144.50 to 144.56;

(3) until August 1, 2021, a housing with services establishment registered under chapter 144D that is either subject to chapter 144G or has a disclosed special unit under section 325F.72; or

(4) on or after August 1, 2021, an assisted living facility.

(g) "Resident" means a person 18 years of age or older residing in a facility.

(h) "Resident representative" means one of the following in the order of priority listed, to the extent the person may reasonably be identified and located:

(1) a court-appointed guardian;

(2) a health care agent as defined in section 145C.01, subdivision 2; or

(3) a person who is not an agent of a facility or of a home care provider designated in writing by the resident and maintained in the resident's records on file with the facility.

Sec. 11. Minnesota Statutes 2020, section 144.651, is amended by adding a subdivision to read:

Subd. 10a. **Designated support person for pregnant patient.** (a) A health care provider and a health care facility must allow, at a minimum, one designated support person of a pregnant patient's choosing to be physically present while the patient is receiving health care services including during a hospital stay.

(b) For purposes of this subdivision, "designated support person" means any person necessary to provide comfort to the patient including but not limited to the patient'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.

Sec. 12. Minnesota Statutes 2020, section 144.69, is amended to read:

144.69 CLASSIFICATION OF DATA ON INDIVIDUALS.

Subdivision 1. **Data collected by the cancer reporting system.** Notwithstanding any law to the contrary, including section 13.05, subdivision 9, data collected on individuals by the cancer ~~surveillance~~ reporting system, including the names and personal identifiers of persons required in section 144.68 to report, shall be private and may only be used for the purposes set forth in this section and sections 144.671, 144.672, and 144.68. Any disclosure other than is provided for in this section and sections 144.671, 144.672, and 144.68, is declared to be a misdemeanor and punishable as such. Except as provided by rule, and as part of an epidemiologic investigation, an officer or employee of the commissioner of health may interview patients named in any such report, or relatives of any such patient, only after ~~the consent of~~ notifying the attending physician, advanced practice registered nurse, or surgeon ~~is obtained~~.

Subd. 2. **Transfers of information to non-Minnesota state and federal government agencies.** (a) Information containing personal identifiers collected by the cancer reporting system may be provided to the statewide cancer registry of other states solely for the purposes consistent with this section and sections 144.671, 144.672, and 144.68, provided that the other state agrees to maintain the classification of the information as provided under subdivision 1.

(b) Information, excluding direct identifiers such as name, Social Security number, telephone number, and street address, collected by the cancer reporting system may be provided to the Centers for Disease Control and Prevention's National Program of Cancer Registries and the National Cancer Institute's Surveillance, Epidemiology, and End Results Program registry.

Sec. 13. Minnesota Statutes 2021 Supplement, section 144.9501, subdivision 17, is amended to read:

Subd. 17. **Lead hazard reduction.** (a) "Lead hazard reduction" means abatement, swab team services, or interim controls undertaken to make a residence, child care facility, school, playground, or other location where lead hazards are identified lead-safe by complying with the lead standards and methods adopted under section 144.9508.

(b) Lead hazard reduction does not include renovation activity that is primarily intended to remodel, repair, or restore a given structure or dwelling rather than abate or control lead-based paint hazards.

(c) Lead hazard reduction does not include activities that disturb painted surfaces that total:

(1) less than 20 square feet (two square meters) on exterior surfaces; or

(2) less than two square feet (0.2 square meters) in an interior room.

Sec. 14. Minnesota Statutes 2020, section 144.9501, subdivision 26a, is amended to read:

Subd. 26a. **Regulated lead work.** ~~(a)~~ "Regulated lead work" means:

(1) abatement;

(2) interim controls;

(3) a clearance inspection;

(4) a lead hazard screen;

(5) a lead inspection;

(6) a lead risk assessment;

(7) lead project designer services;

(8) lead sampling technician services;

(9) swab team services;

(10) renovation activities; ~~or~~

(11) lead hazard reduction; or

~~(11)~~ (12) activities performed to comply with lead orders issued by ~~a community health board~~ an assessing agency.

~~(b) Regulated lead work does not include abatement, interim controls, swab team services, or renovation activities that disturb painted surfaces that total no more than:~~

~~(1) 20 square feet (two square meters) on exterior surfaces; or~~

~~(2) six square feet (0.6 square meters) in an interior room.~~

Sec. 15. Minnesota Statutes 2020, section 144.9501, subdivision 26b, is amended to read:

Subd. 26b. **Renovation.** (a) "Renovation" means the modification of any pre-1978 affected property for compensation that results in the disturbance of known or presumed lead-containing painted surfaces defined under section 144.9508, unless that activity is performed as lead hazard reduction. A renovation performed for the purpose of converting a building or part of a building into an affected property is a renovation under this subdivision.

(b) Renovation does not include activities that disturb painted surfaces that total:

(1) less than 20 square feet (two square meters) on exterior surfaces; or

(2) less than six square feet (0.6 square meters) in an interior room.

Sec. 16. Minnesota Statutes 2020, section 144.9505, subdivision 1, is amended to read:

Subdivision 1. **Licensing, certification, and permitting.** (a) Fees collected under this section shall be deposited into the state treasury and credited to the state government special revenue fund.

(b) Persons shall not advertise or otherwise present themselves as lead supervisors, lead workers, lead inspectors, lead risk assessors, lead sampling technicians, lead project designers, renovation firms, or lead firms unless they have licenses or certificates issued by the commissioner under this section.

(c) The fees required in this section for inspectors, risk assessors, and certified lead firms are waived for state or local government employees performing services for or as an assessing agency.

(d) An individual who is the owner of property on which ~~regulated lead work~~ lead hazard reduction is to be performed or an adult individual who is related to the property owner, as defined under section 245A.02, subdivision 13, is exempt from the requirements to obtain a license and pay a fee according to this section.

(e) A person that employs individuals to perform ~~regulated lead work~~ lead hazard reduction, clearance inspections, lead risk assessments, lead inspections, lead hazard screens, lead project designer services, lead sampling technician services, and swab team services outside of the person's property must obtain certification as a certified lead firm. An individual who performs lead hazard reduction, lead hazard screens, lead inspections, lead risk assessments, clearance inspections, lead project designer services, lead sampling technician services, swab team services, and activities performed to comply with lead orders must be employed by a certified lead firm, unless the individual is a sole proprietor and does not employ any other individuals~~,~~; the individual is employed by a person that does not perform ~~regulated lead work~~ lead hazard reduction, clearance inspections, lead risk assessments, lead inspections, lead hazard screens, lead project designer services, lead sampling technician services, and swab team services outside of the person's property~~,~~; or the individual is employed by an assessing agency.

Sec. 17. Minnesota Statutes 2020, section 144.9505, subdivision 1h, is amended to read:

Subd. 1h. **Certified renovation firm.** A person who ~~employs individuals to perform~~ performs renovation activities ~~outside of the person's property~~ must obtain certification as a renovation firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A renovation firm certificate is valid for two years. The certification fee is $100, is nonrefundable, and must be submitted with each application. The renovation firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Sec. 18. Minnesota Statutes 2020, section 144A.01, is amended to read:

144A.01 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 144A.01 to 144A.27, the terms defined in this section have the meanings given them.

Subd. 2. **Commissioner of health.** "Commissioner of health" means the state commissioner of health established by section 144.011.

Subd. 3. **Board of Executives for Long Term Services and Supports.** "Board of Executives for Long Term Services and Supports" means the Board of Executives for Long Term Services and Supports established by section 144A.19.

Subd. 3a. **Certified.** "Certified" means certified for participation as a provider in the Medicare or Medicaid programs under title XVIII or XIX of the Social Security Act.

Subd. 4. **Controlling ~~person~~ individual.** (a) "Controlling ~~person~~ individual" means ~~any public body, governmental agency, business entity,~~ an owner and the following individuals and entities, if applicable:

(1) each officer of the organization, including the chief executive officer and the chief financial officer;

(2) the nursing home administrator~~,~~; or ~~director whose responsibilities include the direction of the management or policies of a nursing home~~

(3) any managerial official.

(b) "Controlling ~~person~~ individual" also means any entity or natural person who~~, directly or indirectly, beneficially owns any~~ has any direct or indirect ownership interest in:

(1) any corporation, partnership or other business association which is a controlling ~~person~~ individual;

(2) any other legal or business entity;

~~(2)~~ (3) the land on which a nursing home is located;

~~(3)~~ (4) the structure in which a nursing home is located;

~~(4)~~ (5) any entity with at least a five percent mortgage, contract for deed, deed of trust, or other ~~obligation secured in whole or part by~~ security interest in the land or structure comprising a nursing home; or

~~(5)~~ (6) any lease or sublease of the land, structure, or facilities comprising a nursing home.

~~(b)~~ (c) "Controlling ~~person~~ individual" does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity directly or through a subsidiary operates a nursing home;

(2) government and government-sponsored entities such as the United States Department of Housing and Urban Development, Ginnie Mae, Fannie Mae, Freddie Mac, and the Minnesota Housing Finance Agency which provide loans, financing, and insurance products for housing sites;

~~(2)~~ (3) an individual who is a state or federal official ~~or~~, a state or federal employee, or a member or employee of the governing body of a political subdivision of the state ~~which~~ or federal government that operates one or more nursing homes, unless the individual is also an officer ~~or director of a~~, owner, or managerial official of the nursing home, receives any remuneration from a nursing home, or ~~owns any of the beneficial interests~~ who is a controlling individual not otherwise excluded in this subdivision;

~~(3)~~ (4) a natural person who is a member of a tax-exempt organization under section 290.05, subdivision 2, unless the individual is also ~~an officer or director of a nursing home, or owns any of the beneficial interests~~ a controlling individual not otherwise excluded in this subdivision; and

~~(4)~~ (5) a natural person who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt by virtue of section 80A.45, clause (6); or

(ii) whose transactions are exempt by virtue of section 80A.46, clause (7).

Subd. 4a. **Emergency.** "Emergency" means a situation or physical condition that creates or probably will create an immediate and serious threat to a resident's health or safety.

Subd. 5. **Nursing home.** "Nursing home" means a facility or that part of a facility which provides nursing care to five or more persons. "Nursing home" does not include a facility or that part of a facility which is a hospital, a hospital with approved swing beds as defined in section 144.562, clinic, doctor's office, diagnostic or treatment center, or a residential program licensed pursuant to sections 245A.01 to 245A.16 or 252.28.

Subd. 6. **Nursing care.** "Nursing care" means health evaluation and treatment of patients and residents who are not in need of an acute care facility but who require nursing supervision on an inpatient basis. The commissioner of health may by rule establish levels of nursing care.

Subd. 7. **Uncorrected violation.** "Uncorrected violation" means a violation of a statute or rule or any other deficiency for which a notice of noncompliance has been issued and fine assessed and allowed to be recovered pursuant to section 144A.10, subdivision 8.

Subd. 8. **Managerial ~~employee~~ official.** "Managerial ~~employee~~ official" means an ~~employee of a~~ individual who has the decision-making authority related to the operation of the nursing home ~~whose duties include~~ and the responsibility for either: (1) the ongoing management of the nursing home; or (2) the direction of ~~some or all of the management or~~ policies, services, or employees of the nursing home.

Subd. 9. **Nursing home administrator.** "Nursing home administrator" means a person who administers, manages, supervises, or is in general administrative charge of a nursing home, whether or not the individual has an ownership interest in the home, and whether or not the person's functions and duties are shared with one or more individuals, and who is licensed pursuant to section 144A.21.

Subd. 10. **Repeated violation.** "Repeated violation" means the issuance of two or more correction orders, within a 12-month period, for a violation of the same provision of a statute or rule.

Subd. 11. **Change of ownership.** "Change of ownership" means a change in the licensee.

Subd. 12. **Direct ownership interest.** "Direct ownership interest" means an individual or legal entity with the possession of at least five percent equity in capital, stock, or profits of the licensee or who is a member of a limited liability company of the licensee.

Subd. 13. **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 licensee.

Subd. 14. **Licensee.** "Licensee" means a person or legal entity to whom the commissioner issues a license for a nursing home and who is responsible for the management, control, and operation of the nursing home.

Subd. 15. **Management agreement.** "Management agreement" means a written, executed agreement between a licensee and manager regarding the provision of certain services on behalf of the licensee.

Subd. 16. **Manager.** "Manager" means an individual or legal entity designated by the licensee through a management agreement to act on behalf of the licensee in the on-site management of the nursing home.

Subd. 17. **Managing control.** "Managing control" means any organization that exercises operational or managerial control over the nursing home or conducts the day-to-day operations of the nursing home.

Subd. 18. **Owner.** "Owner" means: (1) an individual or legal entity that has a direct or indirect ownership interest of five percent or more in a licensee; and (2) for purposes of this chapter, owner of a nonprofit corporation means the president and treasurer of the board of directors; and (3) for an entity owned by an employee stock ownership plan, owner means the president and treasurer of the entity. A government entity that is issued a license under this chapter shall be designated the owner.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 19. Minnesota Statutes 2020, section 144A.03, subdivision 1, is amended to read:

Subdivision 1. **Form; requirements.** (a) The commissioner of health by rule shall establish forms and procedures for the processing of nursing home license applications.

(b) An application for a nursing home license shall include ~~the following information~~:

(1) the ~~names~~ business name and ~~addresses of all controlling persons and managerial employees of the facility to be licensed~~ legal entity name of the licensee;

(2) the street address, mailing address, and legal property description of the facility;

(3) the names, e-mail addresses, telephone numbers, and mailing addresses of all owners, controlling individuals, managerial officials, and the nursing home administrator;

(4) the name and e-mail address of the managing agent and manager, if applicable;

(5) the licensed bed capacity;

(6) the license fee in the amount specified in section 144.122;

(7) documentation of compliance with the background study requirements in section 144.057 for the owner, controlling individuals, and managerial officials. Each application for a new license must include documentation for the applicant and for each individual with five percent or more direct or indirect ownership in the applicant;

~~(3)~~ (8) a copy of the architectural and engineering plans and specifications of the facility as prepared and certified by an architect or engineer registered to practice in this state; ~~and~~

(9) a copy of the executed lease agreement between the landlord and the licensee, if applicable;

(10) a copy of the management agreement, if applicable;

(11) a copy of the operations transfer agreement or similar agreement, if applicable;

(12) an organizational chart that identifies all organizations and individuals with an ownership interest in the licensee of five percent or greater and that specifies their relationship with the licensee and with each other;

(13) whether the applicant, owner, controlling individual, managerial official, or nursing home administrator of the facility has ever been convicted of:

(i) a crime or found civilly liable for a federal or state felony-level offense that was detrimental to the best interests of the facility and its residents within the last ten years preceding submission of the license application. Offenses include: (A) felony crimes against persons and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pretrial diversions; (B) financial crimes such as extortion, embezzlement, income tax evasion, insurance fraud, and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pretrial diversions; (C) any felonies involving malpractice that resulted in a conviction of criminal neglect or misconduct; and (D) any felonies that would result in a mandatory exclusion under section 1128(a) of the Social Security Act;

(ii) any misdemeanor under federal or state law related to the delivery of an item or service under Medicaid or a state health care program or the abuse or neglect of a patient in connection with the delivery of a health care item or service;

(iii) any misdemeanor under federal or state law related to theft, fraud, embezzlement, breach of fiduciary duty, or other financial misconduct in connection with the delivery of a health care item or service;

(iv) any felony or misdemeanor under federal or state law relating to the interference with or obstruction of any investigation into any criminal offense described in Code of Federal Regulations, title 42, section 1001.101 or 1001.201;

(v) any felony or misdemeanor under federal or state law relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance; or

(vi) any felony or gross misdemeanor that relates to the operation of a nursing home or assisted living facility or directly affects resident safety or care during that period;

(14) whether the applicant, owner, controlling individual, managerial official, or nursing home administrator of the facility has had:

(i) any revocation or suspension of a license to provide health care by any state licensing authority. This includes the surrender of the license while a formal disciplinary proceeding was pending before a state licensing authority;

(ii) any revocation or suspension of accreditation; or

(iii) any suspension or exclusion from participation in, or any sanction imposed by, a federal or state health care program or any debarment from participation in any federal executive branch procurement or nonprocurement program;

(15) whether in the preceding three years the applicant or any owner, controlling individual, managerial official, or nursing home administrator of the facility has a record of defaulting in the payment of money collected for others, including the discharge of debts through bankruptcy proceedings;

(16) the signature of the owner of the licensee or an authorized agent of the licensee;

(17) identification of all states where the applicant or individual having a five percent or more ownership currently or previously has been licensed as an owner or operator of a long-term care, community-based, or health care facility or agency where the applicant's or individual's license or federal certification has been denied, suspended, restricted, conditioned, refused, not renewed, or revoked under a private or state-controlled receivership or where these same actions are pending under the laws of any state or federal authority;

(18) statistical information required by the commissioner; and

~~(4)~~ (19) any other relevant information which the commissioner of health by rule or otherwise may determine is necessary to properly evaluate an application for license.

(c) A controlling ~~person~~ individual which is a corporation shall submit copies of its articles of incorporation and bylaws and any amendments thereto as they occur, together with the names and addresses of its officers and directors. A controlling ~~person~~ individual which is a foreign corporation shall furnish the commissioner of health with a copy of its certificate of authority to do business in this state. ~~An application on behalf of a controlling person which is a corporation, association or a governmental unit or instrumentality shall be signed by at least two officers or managing agents of that entity.~~

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 20. Minnesota Statutes 2020, section 144A.04, subdivision 4, is amended to read:

Subd. 4. **Controlling ~~person~~ individual restrictions.** (a) The commissioner has discretion to bar any controlling ~~persons~~ individual of a nursing home ~~may not include any~~ if the person ~~who~~ was a controlling ~~person~~ individual of ~~another~~ any other nursing home ~~during any period of time~~, assisted living facility, long-term care or health care facility, or agency in the previous two-year period and:

(1) during ~~which~~ that period of time ~~of control that other nursing home~~ the facility or agency incurred the following number of uncorrected or repeated violations:

(i) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident or client care or safety; or

(ii) four or more uncorrected violations or two or more repeated violations ~~of any nature for which the fines are in the four highest daily fine categories prescribed in rule~~ that created an imminent risk to direct resident or client care or safety; or

(2) ~~who~~ during that period of time, was convicted of a felony or gross misdemeanor that ~~relates~~ related to operation of the ~~nursing home~~ facility or agency or directly ~~affects~~ affected resident safety or care~~, during that period~~.

(b) The provisions of this subdivision shall not apply to any controlling ~~person~~ individual who had no legal authority to affect or change decisions related to the operation of the nursing home which incurred the uncorrected violations.

(c) When the commissioner bars a controlling individual under this subdivision, the controlling individual has the right to appeal under chapter 14.

Sec. 21. Minnesota Statutes 2020, section 144A.04, subdivision 6, is amended to read:

Subd. 6. **Managerial ~~employee~~ official or licensed administrator; employment prohibitions.** A nursing home may not employ as a managerial ~~employee~~ official or as its licensed administrator any person who was a managerial ~~employee~~ official or the licensed administrator of another facility during any period of time in the previous two-year period:

(1) during which time of employment that other nursing home incurred the following number of uncorrected violations which were in the jurisdiction and control of the managerial ~~employee~~ official or the administrator:

(i) two or more uncorrected violations ~~or one or more repeated violations which created an imminent risk to direct resident care or safety~~; or

(ii) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule; or

(2) who was convicted of a felony or gross misdemeanor that relates to operation of the nursing home or directly affects resident safety or care, during that period.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 22. Minnesota Statutes 2020, section 144A.06, is amended to read:

144A.06 TRANSFER OF ~~INTERESTS~~ LICENSE PROHIBITED.

Subdivision 1. **~~Notice; expiration of license~~ Transfers prohibited.** ~~Any controlling person who makes any transfer of a beneficial interest in a nursing home shall notify the commissioner of health of the transfer within 14 days of its occurrence. The notification shall identify by name and address the transferor and transferee and shall specify the nature and amount of the transferred interest. On determining that the transferred beneficial interest exceeds ten percent of the total beneficial interest in the nursing home facility, the structure in which the facility is located, or the land upon which the structure is located, the commissioner may, and on determining that the transferred beneficial interest exceeds 50 percent of the total beneficial interest in the facility, the structure in which the facility is located, or the land upon which the structure is located, the commissioner shall require that the license of the nursing home expire 90 days after the date of transfer. The commissioner of health shall notify the nursing home by certified mail of the expiration of the license at least 60 days prior to the date of expiration.~~ A nursing home license may not be transferred.

Subd. 2. **~~Relicensure~~ New license required; change of ownership.** (a) The commissioner of health by rule shall prescribe procedures for ~~relicensure~~ licensure under this section. ~~The commissioner of health shall relicense a nursing home if the facility satisfies the requirements for license renewal established by section 144A.05. A facility shall not be relicensed by the commissioner if at the time of transfer there are any uncorrected violations. The commissioner of health may temporarily waive correction of one or more violations if the commissioner determines that:~~

~~(1) temporary noncorrection of the violation will not create an imminent risk of harm to a nursing home resident; and~~

~~(2) a controlling person on behalf of all other controlling persons:~~

~~(i) has entered into a contract to obtain the materials or labor necessary to correct the violation, but the supplier or other contractor has failed to perform the terms of the contract and the inability of the nursing home to correct the violation is due solely to that failure; or~~

~~(ii) is otherwise making a diligent good faith effort to correct the violation.~~

(b) A new license is required and the prospective licensee must apply for a license prior to operating a currently licensed nursing home. The licensee must change whenever one of the following events occur:

(1) the form of the licensee's legal entity structure is converted or changed to a different type of legal entity structure;

(2) the licensee dissolves, consolidates, or merges with another legal organization and the licensee's legal organization does not survive;

(3) within the previous 24 months, 50 percent or more of the licensee's ownership interest is transferred, whether by a single transaction or multiple transactions to:

(i) a different person; or

(ii) a person who had less than a five percent ownership interest in the facility at the time of the first transaction; or

(4) any other event or combination of events that results in a substitution, elimination, or withdrawal of the licensee's responsibility for the facility.

Subd. 3. **Compliance.** The commissioner must consult with the commissioner of human services regarding the history of financial and cost reporting compliance of the prospective licensee and prospective licensee's financial operations in any nursing home that the prospective licensee or any controlling individual listed in the license application has had an interest in.

Subd. 4. **Facility operation.** The current licensee remains responsible for the operation of the nursing home until the nursing home is licensed to the prospective licensee.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 23. **[144A.32] CONSIDERATION OF APPLICATIONS.**

(a) Before issuing a provisional license or license or renewing an existing license, the commissioner shall consider an applicant's compliance history in providing care in a facility that provides care to children, the elderly, ill individuals, or individuals with disabilities.

(b) The applicant's compliance history shall include repeat violations, rule violations, and any license or certification involuntarily suspended or terminated during an enforcement process.

(c) The commissioner may deny, revoke, suspend, restrict, or refuse to renew the license or impose conditions if:

(1) the applicant fails to provide complete and accurate information on the application and the commissioner concludes that the missing or corrected information is needed to determine if a license is granted;

(2) the applicant, knowingly or with reason to know, made a false statement of a material fact in an application for the license or any data attached to the application or in any matter under investigation by the department;

(3) the applicant refused to allow agents of the commissioner to inspect the applicant's books, records, files related to the license application, or any portion of the premises;

(4) the applicant willfully prevented, interfered with, or attempted to impede in any way:

(i) the work of any authorized representative of the commissioner, the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities; or

(ii) the duties of the commissioner, local law enforcement, city or county attorneys, adult protection, county case managers, or other local government personnel;

(5) the applicant has a history of noncompliance with federal or state regulations that were detrimental to the health, welfare, or safety of a resident or a client; or

(6) the applicant violates any requirement in this chapter or chapter 256R.

(d) If a license is denied, the applicant has the reconsideration rights available under chapter 14.

EFFECTIVE DATE. This section is effective August 1, 2022.

Sec. 24. Minnesota Statutes 2020, section 144A.4799, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner of health shall appoint ~~eight~~ 13 persons to a home care and assisted living program advisory council consisting of the following:

(1) ~~three~~ two public members as defined in section 214.02 who shall be persons who are currently receiving home care services, persons who have received home care services within five years of the application date, persons who have family members receiving home care services, or persons who have family members who have received home care services within five years of the application date;

(2) ~~three~~ two Minnesota home care licensees representing basic and comprehensive levels of licensure who may be a managerial official, an administrator, a supervising registered nurse, or an unlicensed personnel performing home care tasks;

(3) one member representing the Minnesota Board of Nursing;

(4) one member representing the Office of Ombudsman for Long-Term Care; ~~and~~

(5) one member representing the Office of Ombudsman for Mental Health and Developmental Disabilities;

~~(5)~~ (6) beginning July 1, 2021, one member of a county health and human services or county adult protection office~~.~~;

(7) two Minnesota assisted living facility licensees representing assisted living facilities and assisted living facilities with dementia care levels of licensure who may be the facility's assisted living director, managerial official, or clinical nurse supervisor;

(8) one organization representing long-term care providers, home care providers, and assisted living providers in Minnesota; and

(9) two public members as defined in section 214.02. One public member shall be a person who either is or has been a resident in an assisted living facility and one public member shall be a person who has or had a family member living in an assisted living facility setting.

Sec. 25. Minnesota Statutes 2020, section 144A.4799, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) At the commissioner's request, the advisory council shall provide advice regarding regulations of Department of Health licensed assisted living and home care providers in this chapter, including advice on the following:

(1) community standards for home care practices;

(2) enforcement of licensing standards and whether certain disciplinary actions are appropriate;

(3) ways of distributing information to licensees and consumers of home care and assisted living services defined under chapter 144G;

(4) training standards;

(5) identifying emerging issues and opportunities in home care and assisted living services defined under chapter 144G;

(6) identifying the use of technology in home and telehealth capabilities;

(7) allowable home care licensing modifications and exemptions, including a method for an integrated license with an existing license for rural licensed nursing homes to provide limited home care services in an adjacent independent living apartment building owned by the licensed nursing home; and

(8) recommendations for studies using the data in section 62U.04, subdivision 4, including but not limited to studies concerning costs related to dementia and chronic disease among an elderly population over 60 and additional long-term care costs, as described in section 62U.10, subdivision 6.

(b) The advisory council shall perform other duties as directed by the commissioner.

(c) The advisory council shall annually make recommendations to the commissioner for the purposes in section 144A.474, subdivision 11, paragraph (i). The recommendations shall address ways the commissioner may improve protection of the public under existing statutes and laws and include but are not limited to projects that create and administer training of licensees and their employees to improve residents' lives, supporting ways that licensees can improve and enhance quality care and ways to provide technical assistance to licensees to improve compliance; information technology and data projects that analyze and communicate information about trends of violations or lead to ways of improving client care; communications strategies to licensees and the public; and other projects or pilots that benefit clients, families, and the public.

Sec. 26. Minnesota Statutes 2020, section 144A.75, subdivision 12, is amended to read:

Subd. 12. **Palliative care.** "Palliative care" means ~~the total active care of patients whose disease is not responsive to curative treatment. Control of pain, of other symptoms, and of psychological, social, and spiritual problems is paramount~~ specialized medical care for people living with a serious illness or life-limiting condition. This type of care is focused on reducing the pain, symptoms, and stress of a serious illness or condition. Palliative care is a team-based approach to care, providing essential support at any age or stage of a serious illness or condition, and is often provided together with curative treatment. The goal of palliative care is ~~the achievement of the best quality of life for patients and their families~~ to improve quality of life for both the patient and the patient's family or care partner.

Sec. 27. Minnesota Statutes 2020, section 144G.08, is amended by adding a subdivision to read:

Subd. 62a. **Serious injury.** "Serious injury" has the meaning given in section 245.91, subdivision 6.

Sec. 28. Minnesota Statutes 2020, section 144G.15, is amended to read:

144G.15 CONSIDERATION OF APPLICATIONS.

(a) Before issuing a provisional license or license or renewing a license, the commissioner shall consider an applicant's compliance history in providing care in this state or any other state in a facility that provides care to children, the elderly, ill individuals, or individuals with disabilities.

(b) The applicant's compliance history shall include repeat violation, rule violations, and any license or certification involuntarily suspended or terminated during an enforcement process.

(c) The commissioner may deny, revoke, suspend, restrict, or refuse to renew the license or impose conditions if:

(1) the applicant fails to provide complete and accurate information on the application and the commissioner concludes that the missing or corrected information is needed to determine if a license shall be granted;

(2) the applicant, knowingly or with reason to know, made a false statement of a material fact in an application for the license or any data attached to the application or in any matter under investigation by the department;

(3) the applicant refused to allow agents of the commissioner to inspect its books, records, and files related to the license application, or any portion of the premises;

(4) the applicant willfully prevented, interfered with, or attempted to impede in any way: (i) the work of any authorized representative of the commissioner, the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities; or (ii) the duties of the commissioner, local law enforcement, city or county attorneys, adult protection, county case managers, or other local government personnel;

(5) the applicant, owner, controlling individual, managerial official, or assisted living director for the facility has a history of noncompliance with federal or state regulations that were detrimental to the health, welfare, or safety of a resident or a client; or

(6) the applicant violates any requirement in this chapter.

(d) If a license is denied, the applicant has the reconsideration rights available under section 144G.16, subdivision 4.

Sec. 29. Minnesota Statutes 2020, section 144G.17, is amended to read:

144G.17 LICENSE RENEWAL.

A license that is not a provisional license may be renewed for a period of up to one year if the licensee:

(1) submits an application for renewal in the format provided by the commissioner at least 60 calendar days before expiration of the license;

(2) submits the renewal fee under section 144G.12, subdivision 3;

(3) submits the late fee under section 144G.12, subdivision 4, if the renewal application is received less than 30 days before the expiration date of the license or after the expiration of the license;

(4) provides information sufficient to show that the applicant meets the requirements of licensure, including items required under section 144G.12, subdivision 1; ~~and~~

(5) provides information sufficient to show the licensee provided assisted living services to at least one resident during the immediately preceding license year and at the assisted living facility listed on the license; and

~~(5)~~ (6) provides any other information deemed necessary by the commissioner.

Sec. 30. Minnesota Statutes 2020, section 144G.19, is amended by adding a subdivision to read:

Subd. 4. **Change of licensee.** Notwithstanding any other provision of law, a change of licensee under subdivision 2 does not require the facility to meet the design requirements of section 144G.45, subdivisions 4 to 6, or 144G.81, subdivision 3.

Sec. 31. Minnesota Statutes 2020, section 144G.20, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** (a) The commissioner may refuse to grant a provisional license, refuse to grant a license as a result of a change in ownership, refuse to renew a license, suspend or revoke a license, or impose a conditional license if the owner, controlling individual, or employee of an assisted living facility:

(1) is in violation of, or during the term of the license has violated, any of the requirements in this chapter or adopted rules;

(2) permits, aids, or abets the commission of any illegal act in the provision of assisted living services;

(3) performs any act detrimental to the health, safety, and welfare of a resident;

(4) obtains the license by fraud or misrepresentation;

(5) knowingly makes a false statement of a material fact in the application for a license or in any other record or report required by this chapter;

(6) denies representatives of the department access to any part of the facility's books, records, files, or employees;

(7) interferes with or impedes a representative of the department in contacting the facility's residents;

(8) interferes with or impedes ombudsman access according to section 256.9742, subdivision 4, or interferes with or impedes access by the Office of Ombudsman for Mental Health and Developmental Disabilities according to section 245.94, subdivision 1;

(9) interferes with or impedes a representative of the department in the enforcement of this chapter or fails to fully cooperate with an inspection, survey, or investigation by the department;

(10) destroys or makes unavailable any records or other evidence relating to the assisted living facility's compliance with this chapter;

(11) refuses to initiate a background study under section 144.057 or 245A.04;

(12) fails to timely pay any fines assessed by the commissioner;

(13) violates any local, city, or township ordinance relating to housing or assisted living services;

(14) has repeated incidents of personnel performing services beyond their competency level; or

(15) has operated beyond the scope of the assisted living facility's license category.

(b) A violation by a contractor providing the assisted living services of the facility is a violation by the facility.

Sec. 32. Minnesota Statutes 2020, section 144G.20, subdivision 4, is amended to read:

Subd. 4. **Mandatory revocation.** Notwithstanding the provisions of subdivision 13, paragraph (a), the commissioner must revoke a license if a controlling individual of the facility is convicted of a felony or gross misdemeanor that relates to operation of the facility or directly affects resident safety or care. The commissioner shall notify the facility and the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities 30 calendar days in advance of the date of revocation.

Sec. 33. Minnesota Statutes 2020, section 144G.20, subdivision 5, is amended to read:

Subd. 5. **Owners and managerial officials; refusal to grant license.** (a) The owners and managerial officials of a facility whose Minnesota license has not been renewed or whose ~~Minnesota~~ license in this state or any other state has been revoked because of noncompliance with applicable laws or rules shall not be eligible to apply for nor will be granted an assisted living facility license under this chapter or a home care provider license under chapter 144A, or be given status as an enrolled personal care assistance provider agency or personal care assistant by the Department of Human Services under section 256B.0659, for five years following the effective date of the nonrenewal or revocation. If the owners or managerial officials already have enrollment status, the Department of Human Services shall terminate that enrollment.

(b) The commissioner shall not issue a license to a facility for five years following the effective date of license nonrenewal or revocation if the owners or managerial officials, including any individual who was an owner or managerial official of another licensed provider, had a ~~Minnesota~~ license in this state or any other state that was not renewed or was revoked as described in paragraph (a).

(c) Notwithstanding subdivision 1, the commissioner shall not renew, or shall suspend or revoke, the license of a facility that includes any individual as an owner or managerial official who was an owner or managerial official of a facility whose ~~Minnesota~~ license in this state or any other state was not renewed or was revoked as described in paragraph (a) for five years following the effective date of the nonrenewal or revocation.

(d) The commissioner shall notify the facility 30 calendar days in advance of the date of nonrenewal, suspension, or revocation of the license.

Sec. 34. Minnesota Statutes 2020, section 144G.20, subdivision 8, is amended to read:

Subd. 8. **Controlling individual restrictions.** (a) The commissioner has discretion to bar any controlling individual of a facility if the person was a controlling individual of any other nursing home, home care provider licensed under chapter 144A, or given status as an enrolled personal care assistance provider agency or personal care assistant by the Department of Human Services under section 256B.0659, or assisted living facility in the previous two-year period and:

(1) during that period of time the nursing home, home care provider licensed under chapter 144A, or given status as an enrolled personal care assistance provider agency or personal care assistant by the Department of Human Services under section 256B.0659, or assisted living facility incurred the following number of uncorrected or repeated violations:

(i) two or more repeated violations that created an imminent risk to direct resident care or safety; or

(ii) four or more uncorrected violations that created an imminent risk to direct resident care or safety; or

(2) during that period of time, was convicted of a felony or gross misdemeanor that related to the operation of the nursing home, home care provider licensed under chapter 144A, or given status as an enrolled personal care assistance provider agency or personal care assistant by the Department of Human Services under section 256B.0659, or assisted living facility, or directly affected resident safety or care.

(b) When the commissioner bars a controlling individual under this subdivision, the controlling individual may appeal the commissioner's decision under chapter 14.

Sec. 35. Minnesota Statutes 2020, section 144G.20, subdivision 9, is amended to read:

Subd. 9. **Exception to controlling individual restrictions.** Subdivision 8 does not apply to any controlling individual of the facility who had no legal authority to affect or change decisions related to the operation of the nursing home ~~or,~~ assisted living facility, or home care that incurred the uncorrected or repeated violations.

Sec. 36. Minnesota Statutes 2020, section 144G.20, subdivision 12, is amended to read:

Subd. 12. **Notice to residents.** (a) Within five business days after proceedings are initiated by the commissioner to revoke or suspend a facility's license, or a decision by the commissioner not to renew a living facility's license, the controlling individual of the facility or a designee must provide to the commissioner ~~and,~~ the ombudsman for long-term care, and the Office of Ombudsman for Mental Health and Developmental Disabilities the names of residents and the names and addresses of the residents' designated representatives and legal representatives, and family or other contacts listed in the assisted living contract.

(b) The controlling individual or designees of the facility must provide updated information each month until the proceeding is concluded. If the controlling individual or designee of the facility fails to provide the information within this time, the facility is subject to the issuance of:

(1) a correction order; and

(2) a penalty assessment by the commissioner in rule.

(c) Notwithstanding subdivisions 21 and 22, any correction order issued under this subdivision must require that the facility immediately comply with the request for information and that, as of the date of the issuance of the correction order, the facility shall forfeit to the state a $500 fine the first day of noncompliance and an increase in the $500 fine by $100 increments for each day the noncompliance continues.

(d) Information provided under this subdivision may be used by the commissioner ~~or,~~ the ombudsman for long-term care, or the Office of Ombudsman for Mental Health and Developmental Disabilities only for the purpose of providing affected consumers information about the status of the proceedings.

(e) Within ten business days after the commissioner initiates proceedings to revoke, suspend, or not renew a facility license, the commissioner must send a written notice of the action and the process involved to each resident of the facility, legal representatives and designated representatives, and at the commissioner's discretion, additional resident contacts.

(f) The commissioner shall provide the ombudsman for long-term care and the Office of Ombudsman for Mental Health and Developmental Disabilities with monthly information on the department's actions and the status of the proceedings.

Sec. 37. Minnesota Statutes 2020, section 144G.20, subdivision 15, is amended to read:

Subd. 15. **Plan required.** (a) The process of suspending, revoking, or refusing to renew a license must include a plan for transferring affected residents' cares to other providers by the facility. The commissioner shall monitor the transfer plan. Within three calendar days of being notified of the final revocation, refusal to renew, or suspension, the licensee shall provide the commissioner, the lead agencies as defined in section 256B.0911, county adult protection and case managers, ~~and~~ the ombudsman for long-term care, and the Office of Ombudsman for Mental Health and Developmental Disabilities with the following information:

(1) a list of all residents, including full names and all contact information on file;

(2) a list of the resident's legal representatives and designated representatives and family or other contacts listed in the assisted living contract, including full names and all contact information on file;

(3) the location or current residence of each resident;

(4) the payor sources for each resident, including payor source identification numbers; and

(5) for each resident, a copy of the resident's service plan and a list of the types of services being provided.

(b) The revocation, refusal to renew, or suspension notification requirement is satisfied by mailing the notice to the address in the license record. The licensee shall cooperate with the commissioner and the lead agencies, county adult protection and case managers, ~~and~~ the ombudsman for long-term care, and the Office of Ombudsman for Mental Health and Developmental Disabilities during the process of transferring care of residents to qualified providers. Within three calendar days of being notified of the final revocation, refusal to renew, or suspension action, the facility must notify and disclose to each of the residents, or the resident's legal and designated representatives or emergency contact persons, that the commissioner is taking action against the facility's license by providing a copy of the revocation, refusal to renew, or suspension notice issued by the commissioner. If the facility does not comply with the disclosure requirements in this section, the commissioner shall notify the residents, legal and designated representatives, or emergency contact persons about the actions being taken. Lead agencies, county adult protection and case managers, and the Office of Ombudsman for Long-Term Care may also provide this information. The revocation, refusal to renew, or suspension notice is public data except for any private data contained therein.

(c) A facility subject to this subdivision may continue operating while residents are being transferred to other service providers.

Sec. 38. Minnesota Statutes 2020, section 144G.30, subdivision 5, is amended to read:

Subd. 5. **Correction orders.** (a) A correction order may be issued whenever the commissioner finds upon survey or during a complaint investigation that a facility, a managerial official, an agent of the facility, or an employee of the facility is not in compliance with this chapter. The correction order shall cite the specific statute and document areas of noncompliance and the time allowed for correction.

(b) The commissioner shall mail or e-mail copies of any correction order to the facility within 30 calendar days after the survey exit date. A copy of each correction order and copies of any documentation supplied to the commissioner shall be kept on file by the facility and public documents shall be made available for viewing by any person upon request. Copies may be kept electronically.

(c) By the correction order date, the facility must document in the facility's records any action taken to comply with the correction order. The commissioner may request a copy of this documentation and the facility's action to respond to the correction order in future surveys, upon a complaint investigation, and as otherwise needed.

Sec. 39. Minnesota Statutes 2020, section 144G.31, subdivision 4, is amended to read:

Subd. 4. **Fine amounts.** (a) Fines and enforcement actions under this subdivision may be assessed based on the level and scope of the violations described in subdivisions 2 and 3 as follows and may be imposed immediately with no opportunity to correct the violation prior to imposition:

(1) Level 1, no fines or enforcement;

(2) Level 2, a fine of $500 per violation, in addition to any enforcement mechanism authorized in section 144G.20 for widespread violations;

(3) Level 3, a fine of $3,000 per violation ~~per incident~~, in addition to any enforcement mechanism authorized in section 144G.20;

(4) Level 4, a fine of $5,000 per ~~incident~~ violation, in addition to any enforcement mechanism authorized in section 144G.20; and

(5) for maltreatment violations for which the licensee was determined to be responsible for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of $1,000 per incident. A fine of $5,000 per incident may be imposed if the commissioner determines the licensee is responsible for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury.

(b) When a fine is assessed against a facility for substantiated maltreatment, the commissioner shall not also impose an immediate fine under this chapter for the same circumstance.

Sec. 40. Minnesota Statutes 2020, section 144G.31, subdivision 8, is amended to read:

Subd. 8. **Deposit of fines.** Fines collected under this section shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner for special projects to improve ~~home care~~ resident quality of care and outcomes in assisted living facilities licensed under chapter 144G in Minnesota as recommended by the advisory council established in section 144A.4799.

EFFECTIVE DATE. This section is effective retroactively for fines collected on or after August 1, 2021.

Sec. 41. Minnesota Statutes 2020, section 144G.41, subdivision 7, is amended to read:

Subd. 7. **Resident grievances; reporting maltreatment.** All facilities must post in a conspicuous place information about the facilities' grievance procedure, and the name, telephone number, and e-mail contact information for the individuals who are responsible for handling resident grievances. The notice must also have the contact information for the ~~state and applicable regional~~ Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities, and must have information for reporting suspected maltreatment to the Minnesota Adult Abuse Reporting Center. The notice must also state that if an individual has a complaint about the facility or person providing services, the individual may contact the Office of Health Facility Complaints at the Minnesota Department of Health.

Sec. 42. Minnesota Statutes 2020, section 144G.41, subdivision 8, is amended to read:

Subd. 8. **Protecting resident rights.** All facilities shall ensure that every resident has access to consumer advocacy or legal services by:

(1) providing names and contact information, including telephone numbers and e-mail addresses of at least three organizations that provide advocacy or legal services to residents, one of which must include the designated protection and advocacy organization in Minnesota that provides advice and representation to individuals with disabilities;

(2) providing the name and contact information for the Minnesota Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities~~, including both the state and regional contact information~~;

(3) assisting residents in obtaining information on whether Medicare or medical assistance under chapter 256B will pay for services;

(4) making reasonable accommodations for people who have communication disabilities and those who speak a language other than English; and

(5) providing all information and notices in plain language and in terms the residents can understand.

Sec. 43. Minnesota Statutes 2020, section 144G.42, subdivision 10, is amended to read:

Subd. 10. **Disaster planning and emergency preparedness plan.** (a) The facility must meet the following requirements:

(1) have a written emergency disaster plan that contains a plan for evacuation, addresses elements of sheltering in place, identifies temporary relocation sites, and details staff assignments in the event of a disaster or an emergency;

(2) post an emergency disaster plan prominently;

(3) provide building emergency exit diagrams to all residents;

(4) post emergency exit diagrams on each floor; and

(5) have a written policy and procedure regarding missing ~~tenant~~ residents.

(b) The facility must provide emergency and disaster training to all staff during the initial staff orientation and annually thereafter and must make emergency and disaster training annually available to all residents. Staff who have not received emergency and disaster training are allowed to work only when trained staff are also working on site.

(c) The facility must meet any additional requirements adopted in rule.

Sec. 44. Minnesota Statutes 2020, section 144G.50, subdivision 2, is amended to read:

Subd. 2. **Contract information.** (a) The contract must include in a conspicuous place and manner on the contract the legal name and the ~~license number~~ health facility identification of the facility.

(b) The contract must include the name, telephone number, and physical mailing address, which may not be a public or private post office box, of:

(1) the facility and contracted service provider when applicable;

(2) the licensee of the facility;

(3) the managing agent of the facility, if applicable; and

(4) the authorized agent for the facility.

(c) The contract must include:

(1) a disclosure of the category of assisted living facility license held by the facility and, if the facility is not an assisted living facility with dementia care, a disclosure that it does not hold an assisted living facility with dementia care license;

(2) a description of all the terms and conditions of the contract, including a description of and any limitations to the housing or assisted living services to be provided for the contracted amount;

(3) a delineation of the cost and nature of any other services to be provided for an additional fee;

(4) a delineation and description of any additional fees the resident may be required to pay if the resident's condition changes during the term of the contract;

(5) a delineation of the grounds under which the resident may be ~~discharged, evicted, or~~ transferred or have housing or services terminated or be subject to an emergency relocation;

(6) billing and payment procedures and requirements; and

(7) disclosure of the facility's ability to provide specialized diets.

(d) The contract must include a description of the facility's complaint resolution process available to residents, including the name and contact information of the person representing the facility who is designated to handle and resolve complaints.

(e) The contract must include a clear and conspicuous notice of:

(1) the right under section 144G.54 to appeal the termination of an assisted living contract;

(2) the facility's policy regarding transfer of residents within the facility, under what circumstances a transfer may occur, and the circumstances under which resident consent is required for a transfer;

(3) contact information for the Office of Ombudsman for Long-Term Care, the Ombudsman for Mental Health and Developmental Disabilities, and the Office of Health Facility Complaints;

(4) the resident's right to obtain services from an unaffiliated service provider;

(5) a description of the facility's policies related to medical assistance waivers under chapter 256S and section 256B.49 and the housing support program under chapter 256I, including:

(i) whether the facility is enrolled with the commissioner of human services to provide customized living services under medical assistance waivers;

(ii) whether the facility has an agreement to provide housing support under section 256I.04, subdivision 2, paragraph (b);

(iii) whether there is a limit on the number of people residing at the facility who can receive customized living services or participate in the housing support program at any point in time. If so, the limit must be provided;

(iv) whether the facility requires a resident to pay privately for a period of time prior to accepting payment under medical assistance waivers or the housing support program, and if so, the length of time that private payment is required;

(v) a statement that medical assistance waivers provide payment for services, but do not cover the cost of rent;

(vi) a statement that residents may be eligible for assistance with rent through the housing support program; and

(vii) a description of the rent requirements for people who are eligible for medical assistance waivers but who are not eligible for assistance through the housing support program;

(6) the contact information to obtain long-term care consulting services under section 256B.0911; and

(7) the toll-free phone number for the Minnesota Adult Abuse Reporting Center.

EFFECTIVE DATE. This section is effective the day following final enactment, except that the amendment to paragraph (a) is effective for assisted living contracts executed on or after August 1, 2022.

Sec. 45. Minnesota Statutes 2020, section 144G.52, subdivision 2, is amended to read:

Subd. 2. **Prerequisite to termination of a contract.** (a) Before issuing a notice of termination of an assisted living contract, a facility must schedule and participate in a meeting with the resident and the resident's legal representative and designated representative. The purposes of the meeting are to:

(1) explain in detail the reasons for the proposed termination; and

(2) identify and offer reasonable accommodations or modifications, interventions, or alternatives to avoid the termination or enable the resident to remain in the facility, including but not limited to securing services from another provider of the resident's choosing that may allow the resident to avoid the termination. A facility is not required to offer accommodations, modifications, interventions, or alternatives that fundamentally alter the nature of the operation of the facility.

(b) The meeting must be scheduled to take place at least seven days before a notice of termination is issued. The facility must make reasonable efforts to ensure that the resident, legal representative, and designated representative are able to attend the meeting.

(c) The facility must notify the resident that the resident may invite family members, relevant health professionals, a representative of the Office of Ombudsman for Long-Term Care, a representative of the Office of Ombudsman for Mental Health and Developmental Disabilities, or other persons of the resident's choosing to participate in the meeting. For residents who receive home and community-based waiver services under chapter 256S and section 256B.49, the facility must notify the resident's case manager of the meeting.

(d) In the event of an emergency relocation under subdivision 9, where the facility intends to issue a notice of termination and an in-person meeting is impractical or impossible, the facility ~~may attempt to schedule and participate in a meeting under this subdivision via~~ must use telephone, video, or other electronic means to conduct and participate in the meeting required under this subdivision and rules within Minnesota Rules, chapter 4659.

Sec. 46. Minnesota Statutes 2020, section 144G.52, subdivision 8, is amended to read:

Subd. 8. **Content of notice of termination.** The notice required under subdivision 7 must contain, at a minimum:

(1) the effective date of the termination of the assisted living contract;

(2) a detailed explanation of the basis for the termination, including the clinical or other supporting rationale;

(3) a detailed explanation of the conditions under which a new or amended contract may be executed;

(4) a statement that the resident has the right to appeal the termination by requesting a hearing, and information concerning the time frame within which the request must be submitted and the contact information for the agency to which the request must be submitted;

(5) a statement that the facility must participate in a coordinated move to another provider or caregiver, as required under section 144G.55;

(6) the name and contact information of the person employed by the facility with whom the resident may discuss the notice of termination;

(7) information on how to contact the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities to request an advocate to assist regarding the termination;

(8) information on how to contact the Senior LinkAge Line under section 256.975, subdivision 7, and an explanation that the Senior LinkAge Line may provide information about other available housing or service options; and

(9) if the termination is only for services, a statement that the resident may remain in the facility and may secure any necessary services from another provider of the resident's choosing.

Sec. 47. Minnesota Statutes 2020, section 144G.52, subdivision 9, is amended to read:

Subd. 9. **Emergency relocation.** (a) A facility may remove a resident from the facility in an emergency if necessary due to a resident's urgent medical needs or an imminent risk the resident poses to the health or safety of another facility resident or facility staff member. An emergency relocation is not a termination.

(b) In the event of an emergency relocation, the facility must provide a written notice that contains, at a minimum:

(1) the reason for the relocation;

(2) the name and contact information for the location to which the resident has been relocated and any new service provider;

(3) contact information for the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities;

(4) if known and applicable, the approximate date or range of dates within which the resident is expected to return to the facility, or a statement that a return date is not currently known; and

(5) a statement that, if the facility refuses to provide housing or services after a relocation, the resident has the right to appeal under section 144G.54. The facility must provide contact information for the agency to which the resident may submit an appeal.

(c) The notice required under paragraph (b) must be delivered as soon as practicable to:

(1) the resident, legal representative, and designated representative;

(2) for residents who receive home and community-based waiver services under chapter 256S and section 256B.49, the resident's case manager; and

(3) the Office of Ombudsman for Long-Term Care if the resident has been relocated and has not returned to the facility within four days.

(d) Following an emergency relocation, a facility's refusal to provide housing or services constitutes a termination and triggers the termination process in this section.

Sec. 48. Minnesota Statutes 2020, section 144G.53, is amended to read:

144G.53 NONRENEWAL OF HOUSING.

(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;

(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;

(3) ensure a coordinated move to a safe location, as defined in section 144G.55, subdivision 2, that is appropriate for the resident;

(4) ensure a coordinated move to an appropriate service provider identified by the facility, if services are still needed and desired by the resident;

(5) 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) prepare a written plan to prepare for the move.

(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.

Sec. 49. Minnesota Statutes 2020, section 144G.55, subdivision 1, is amended to read:

Subdivision 1. **Duties of facility.** (a) If a facility terminates an assisted living contract, reduces services to the extent that a resident needs to move or obtain a new service provider because of a reduction or elimination of services or the facility has its license restricted under section 144G.20, or the facility conducts a planned closure under section 144G.57, the facility:

(1) must ensure, subject to paragraph (c), a coordinated move to a safe location that is appropriate for the resident and that is identified by the facility prior to any hearing under section 144G.54;

(2) must ensure a coordinated move of the resident to an appropriate service provider identified by the facility prior to any hearing under section 144G.54, provided services are still needed and desired by the resident; and

(3) must 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.

(b) A facility may satisfy the requirements of paragraph (a), clauses (1) and (2), by moving the resident to a different location within the same facility, if appropriate for the resident.

(c) 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 choose instead 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 termination notice.

(d) Sixty days before the facility plans to reduce or eliminate one or more services for a particular resident, the facility must provide written notice of the reduction that includes:

(1) a detailed explanation of the reasons for the reduction and the date of the reduction;

(2) the contact information for the Office of Ombudsman for Long-Term Care, the Office of Ombudsman for Mental Health and Developmental Disabilities, and the name and contact information of the person employed by the facility with whom the resident may discuss the reduction of services;

(3) a statement that if the services being reduced are still needed by the resident, the resident may remain in the facility and seek services from another provider; and

(4) a statement that if the reduction makes the resident need to move, the facility must participate in a coordinated move of the resident to another provider or caregiver, as required under this section.

(e) In the event of an unanticipated reduction in services caused by extraordinary circumstances, the facility must provide the notice required under paragraph (d) as soon as possible.

(f) If the facility, a resident, a legal representative, or a designated representative determines that a reduction in services will make a resident need to move to a new location, the facility must ensure a coordinated move in accordance with this section, and must provide notice to the Office of Ombudsman for Long-Term Care.

(g) Nothing in this section affects a resident's right to remain in the facility and seek services from another provider.

Sec. 50. Minnesota Statutes 2020, section 144G.55, subdivision 3, is amended to read:

Subd. 3. **Relocation plan required.** The facility must prepare a relocation plan to prepare for the move to ~~the~~ a new safe location or appropriate service provider, as required by this section.

Sec. 51. Minnesota Statutes 2020, section 144G.56, subdivision 3, is amended to read:

Subd. 3. **Notice required.** (a) A facility must provide at least 30 calendar days' advance written notice to the resident and the resident's legal and designated representative of a facility-initiated transfer. The notice must include:

(1) the effective date of the proposed transfer;

(2) the proposed transfer location;

(3) a statement that the resident may refuse the proposed transfer, and may discuss any consequences of a refusal with staff of the facility;

(4) the name and contact information of a person employed by the facility with whom the resident may discuss the notice of transfer; and

(5) contact information for the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities.

(b) Notwithstanding paragraph (a), a facility may conduct a facility-initiated transfer of a resident with less than 30 days' written notice if the transfer is necessary due to:

(1) conditions that render the resident's room or private living unit uninhabitable;

(2) the resident's urgent medical needs; or

(3) a risk to the health or safety of another resident of the facility.

Sec. 52. Minnesota Statutes 2020, section 144G.56, subdivision 5, is amended to read:

Subd. 5. **Changes in facility operations.** (a) In situations where there is a curtailment, reduction, or capital improvement within a facility necessitating transfers, the facility must:

(1) minimize the number of transfers it initiates to complete the project or change in operations;

(2) consider individual resident needs and preferences;

(3) provide reasonable accommodations for individual resident requests regarding the transfers; and

(4) in advance of any notice to any residents, legal representatives, or designated representatives, provide notice to the Office of Ombudsman for Long-Term Care and~~, when appropriate,~~ the Office of Ombudsman for Mental Health and Developmental Disabilities of the curtailment, reduction, or capital improvement and the corresponding needed transfers.

Sec. 53. Minnesota Statutes 2020, section 144G.57, subdivision 1, is amended to read:

Subdivision 1. **Closure plan required.** In the event that an assisted living facility elects to voluntarily close the facility, the facility must notify the commissioner ~~and~~, the Office of Ombudsman for Long-Term Care, and the Office of Ombudsman for Mental Health and Developmental Disabilities in writing by submitting a proposed closure plan.

Sec. 54. Minnesota Statutes 2020, section 144G.57, subdivision 3, is amended to read:

Subd. 3. **Commissioner's approval required prior to implementation.** (a) The plan shall be subject to the commissioner's approval and subdivision 6. The facility shall take no action to close the residence prior to the commissioner's approval of the plan. The commissioner shall approve or otherwise respond to the plan as soon as practicable.

(b) The commissioner may require the facility to work with a transitional team comprised of department staff, staff of the Office of Ombudsman for Long-Term Care, the Office of Ombudsman for Mental Health and Developmental Disabilities, and other professionals the commissioner deems necessary to assist in the proper relocation of residents.

Sec. 55. Minnesota Statutes 2020, section 144G.57, subdivision 5, is amended to read:

Subd. 5. **Notice to residents.** After the commissioner has approved the relocation plan and at least 60 calendar days before closing, except as provided under subdivision 6, the facility must notify residents, designated representatives, and legal representatives of the closure, the proposed date of closure, the contact information of the ombudsman for long-term care and the ombudsman for mental health and developmental disabilities, and that the facility will follow the termination planning requirements under section 144G.55, and final accounting and return requirements under section 144G.42, subdivision 5. For residents who receive home and community-based waiver services under chapter 256S and section 256B.49, the facility must also provide this information to the resident's case manager.

Sec. 56. Minnesota Statutes 2020, 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.

(d) 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) 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. 57. Minnesota Statutes 2020, section 144G.70, subdivision 4, is amended to read:

Subd. 4. **Service plan, implementation, and revisions to service plan.** (a) No later than 14 calendar days after the date that services are first provided, an assisted living facility shall finalize a current written service plan.

(b) The service plan and any revisions must include a signature or other authentication by the facility and by the resident documenting agreement on the services to be provided. The service plan must be revised, if needed, based on resident reassessment under subdivision 2. The facility must provide information to the resident about changes to the facility's fee for services and how to contact the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities.

(c) The facility must implement and provide all services required by the current service plan.

(d) The service plan and the revised service plan must be entered into the resident record, including notice of a change in a resident's fees when applicable.

(e) Staff providing services must be informed of the current written service plan.

(f) The service plan must include:

(1) a description of the services to be provided, the fees for services, and the frequency of each service, according to the resident's current assessment and resident preferences;

(2) the identification of staff or categories of staff who will provide the services;

(3) the schedule and methods of monitoring assessments of the resident;

(4) the schedule and methods of monitoring staff providing services; and

(5) a contingency plan that includes:

(i) the action to be taken if the scheduled service cannot be provided;

(ii) information and a method to contact the facility;

(iii) the names and contact information of persons the resident wishes to have notified in an emergency or if there is a significant adverse change in the resident's condition, including identification of and information as to who has authority to sign for the resident in an emergency; and

(iv) the circumstances in which emergency medical services are not to be summoned consistent with chapters 145B and 145C, and declarations made by the resident under those chapters.

Sec. 58. Minnesota Statutes 2020, section 144G.80, subdivision 2, is amended to read:

Subd. 2. **Demonstrated capacity.** (a) An applicant for licensure as an assisted living facility with dementia care must have the ability to provide services in a manner that is consistent with the requirements in this section. The commissioner shall consider the following criteria, including, but not limited to:

(1) the experience of the ~~applicant in~~ applicant's assisted living director, managerial official, and clinical nurse supervisor managing residents with dementia or previous long-term care experience; and

(2) the compliance history of the applicant in the operation of any care facility licensed, certified, or registered under federal or state law.

(b) If the ~~applicant does~~ applicant's assisted living director, managerial official, and clinical nurse supervisor do not have experience in managing residents with dementia, the applicant must employ a consultant for at least the first six months of operation. The consultant must meet the requirements in paragraph (a), clause (1), and make recommendations on providing dementia care services consistent with the requirements of this chapter. The consultant must (1) have two years of work experience related to dementia, health care, gerontology, or a related field, and (2) have completed at least the minimum core training requirements in section 144G.64. The applicant must document an acceptable plan to address the consultant's identified concerns and must either implement the recommendations or document in the plan any consultant recommendations that the applicant chooses not to implement. The commissioner must review the applicant's plan upon request.

(c) The commissioner shall conduct an on-site inspection prior to the issuance of an assisted living facility with dementia care license to ensure compliance with the physical environment requirements.

(d) The label "Assisted Living Facility with Dementia Care" must be identified on the license.

Sec. 59. Minnesota Statutes 2020, section 144G.90, subdivision 1, is amended to read:

Subdivision 1. **Assisted living bill of rights; notification to resident.** (a) An assisted living facility must provide the resident a written notice of the rights under section 144G.91 before the initiation of services to that resident. The facility shall make all reasonable efforts to provide notice of the rights to the resident in a language the resident can understand.

(b) In addition to the text of the assisted living bill of rights in section 144G.91, the notice shall also contain the following statement describing how to file a complaint or report suspected abuse:

"If you want to report suspected abuse, neglect, or financial exploitation, you may contact the Minnesota Adult Abuse Reporting Center (MAARC). If you have a complaint about the facility or person providing your services, you may contact the Office of Health Facility Complaints, Minnesota Department of Health. If you would like to request advocacy services, you may ~~also~~ contact the Office of Ombudsman for Long-Term Care or the Office of Ombudsman for Mental Health and Developmental Disabilities."

(c) The statement must include contact information for the Minnesota Adult Abuse Reporting Center and the telephone number, website address, e-mail address, mailing address, and street address of the Office of Health Facility Complaints at the Minnesota Department of Health, the Office of Ombudsman for Long-Term Care, and the Office of Ombudsman for Mental Health and Developmental Disabilities. The statement must include the facility's name, address, e-mail, telephone number, and name or title of the person at the facility to whom problems or complaints may be directed. It must also include a statement that the facility will not retaliate because of a complaint.

(d) A facility must obtain written acknowledgment from the resident of the resident's receipt of the assisted living bill of rights or shall document why an acknowledgment cannot be obtained. Acknowledgment of receipt shall be retained in the resident's record.

Sec. 60. Minnesota Statutes 2020, section 144G.90, is amended by adding a subdivision to read:

Subd. 6. **Notice to residents.** For any notice to a resident, legal representative, or designated representative provided under this chapter or under Minnesota Rules, chapter 4659, that is required to include information regarding the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities, the notice must contain the following language: "You may contact the Ombudsman for Long-Term Care for questions about your rights as an assisted living facility resident and to request advocacy services. As an assisted living facility resident, you may contact the Ombudsman for Mental Health and Developmental Disabilities to request advocacy regarding your rights, concerns, or questions on issues relating to services for mental health, developmental disabilities, or chemical dependency."

Sec. 61. Minnesota Statutes 2020, section 144G.91, subdivision 13, is amended to read:

Subd. 13. **Personal and treatment privacy.** (a) Residents have the right to consideration of their privacy, individuality, and cultural identity as related to their social, religious, and psychological well-being. Staff must respect the privacy of a resident's space by knocking on the door and seeking consent before entering, except in an emergency or ~~where clearly inadvisable or~~ unless otherwise documented in the resident's service plan.

(b) Residents have the right to have and use a lockable door to the resident's unit. The facility shall provide locks on the resident's unit. Only a staff member with a specific need to enter the unit shall have keys. This right may be restricted in certain circumstances if necessary for a resident's health and safety and documented in the resident's service plan.

(c) Residents have the right to respect and privacy regarding the resident's service plan. Case discussion, consultation, examination, and treatment are confidential and must be conducted discreetly. Privacy must be respected during toileting, bathing, and other activities of personal hygiene, except as needed for resident safety or assistance.

Sec. 62. Minnesota Statutes 2020, section 144G.91, subdivision 21, is amended to read:

Subd. 21. **Access to counsel and advocacy services.** Residents have the right to the immediate access by:

(1) the resident's legal counsel;

(2) any representative of the protection and advocacy system designated by the state under Code of Federal Regulations, title 45, section 1326.21; or

(3) any representative of the Office of Ombudsman for Long-Term Care or the Office of Ombudsman for Mental Health and Developmental Disabilities.

Sec. 63. Minnesota Statutes 2020, section 144G.92, subdivision 1, is amended to read:

Subdivision 1. **Retaliation prohibited.** A facility or agent of a facility may not retaliate against a resident or employee if the resident, employee, or any person acting on behalf of the resident:

(1) files a good faith complaint or grievance, makes a good faith inquiry, or asserts any right;

(2) indicates a good faith intention to file a complaint or grievance, make an inquiry, or assert any right;

(3) files, in good faith, or indicates an intention to file a maltreatment report, whether mandatory or voluntary, under section 626.557;

(4) seeks assistance from or reports a reasonable suspicion of a crime or systemic problems or concerns to the director or manager of the facility, the Office of Ombudsman for Long-Term Care, the Office of Ombudsman for Mental Health and Developmental Disabilities, a regulatory or other government agency, or a legal or advocacy organization;

(5) advocates or seeks advocacy assistance for necessary or improved care or services or enforcement of rights under this section or other law;

(6) takes or indicates an intention to take civil action;

(7) participates or indicates an intention to participate in any investigation or administrative or judicial proceeding;

(8) contracts or indicates an intention to contract to receive services from a service provider of the resident's choice other than the facility; or

(9) places or indicates an intention to place a camera or electronic monitoring device in the resident's private space as provided under section 144.6502.

Sec. 64. Minnesota Statutes 2020, section 144G.93, is amended to read:

144G.93 CONSUMER ADVOCACY AND LEGAL SERVICES.

Upon execution of an assisted living contract, every facility must provide the resident with the names and contact information, including telephone numbers and e-mail addresses, of:

(1) nonprofit organizations that provide advocacy or legal services to residents including but not limited to the designated protection and advocacy organization in Minnesota that provides advice and representation to individuals with disabilities; and

(2) the Office of Ombudsman for Long-Term Care~~, including both the state and regional contact information~~ and the Office of Ombudsman for Mental Health and Developmental Disabilities.

Sec. 65. Minnesota Statutes 2020, section 144G.95, is amended to read:

144G.95 OFFICE OF OMBUDSMAN FOR LONG-TERM CARE AND OFFICE OF OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES.

Subdivision 1. **Immunity from liability.** (a) The Office of Ombudsman for Long-Term Care and representatives of the office are immune from liability for conduct described in section 256.9742, subdivision 2.

(b) The Office of Ombudsman for Mental Health and Developmental Disabilities and representatives of the office are immune from liability for conduct described in section 245.96.

Subd. 2. **Data classification.** (a) All forms and notices received by the Office of Ombudsman for Long-Term Care under this chapter are classified under section 256.9744.

(b) All data collected or received by the Office of Ombudsman for Mental Health and Developmental Disabilities are classified under section 245.94.

Sec. 66. **[145.9231] HEALTH EQUITY ADVISORY AND LEADERSHIP (HEAL) COUNCIL.**

Subdivision 1. **Establishment; composition of advisory council.** (a) The commissioner shall establish and appoint a Health Equity Advisory and Leadership (HEAL) Council to provide guidance to the commissioner of health regarding strengthening and improving the health of communities most impacted by health inequities across the state. The council shall consist of 18 members who will provide representation from the following groups:

(1) African American and African heritage communities;

(2) Asian American and Pacific Islander communities;

(3) Latina/o/x communities;

(4) American Indian communities and Tribal Government/Nations;

(5) disability communities;

(6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and

(7) representatives who reside outside the seven-county metropolitan area.

(b) No members shall be employees of the Minnesota Department of Health.

Subd. 2. **Organization and meetings.** The advisory council shall be organized and administered under section 15.059, except that the members do not receive per diem compensation. Meetings shall be held at least quarterly and hosted by the department. Subcommittees may be developed as necessary. Advisory council meetings are subject to Open Meeting Law under chapter 13D.

Subd. 3. **Duties.** The advisory council shall:

(1) advise the commissioner on health equity issues and the health equity priorities and concerns of the populations specified in subdivision 1;

(2) assist the agency in efforts to advance health equity, including consulting in specific agency policies and programs, providing ideas and input about potential budget and policy proposals, and recommending review of particular agency policies, standards, or procedures that may create or perpetuate health inequities; and

(3) assist the agency in developing and monitoring meaningful performance measures related to advancing health equity.

Subd. 4. **Expiration.** Notwithstanding section 15.059, subdivision 6, the advisory council shall remain in existence until health inequities in the state are eliminated. Health inequities will be considered eliminated when race, ethnicity, income, gender, gender identity, geographic location, or other identity or social marker will no longer be predictors of health outcomes in the state. Section 145.928 describes nine health disparities that must be considered when determining whether health inequities have been eliminated in the state.

Sec. 67. Minnesota Statutes 2020, section 146B.04, subdivision 1, is amended to read:

Subdivision 1. **General.** Before an individual may work as a guest artist, the commissioner shall issue a temporary license to the guest artist. The guest artist shall submit an application to the commissioner on a form provided by the commissioner. The commissioner must receive the application at least 14 calendar days before the guest artist applicant conducts a body art procedure. The form must include:

(1) the name, home address, and date of birth of the guest artist;

(2) the name of the licensed technician sponsoring the guest artist;

(3) proof of having satisfactorily completed coursework within the year preceding application and approved by the commissioner on bloodborne pathogens, the prevention of disease transmission, infection control, and aseptic technique;

(4) the starting and anticipated completion dates the guest artist will be working; and

(5) a copy of any current body art credential or licensure issued by another local or state jurisdiction.

Sec. 68. Minnesota Statutes 2020, section 152.22, subdivision 8, is amended to read:

Subd. 8. **Medical cannabis ~~product~~ paraphernalia.** "Medical cannabis ~~product~~ paraphernalia" means any delivery device or related supplies and educational materials used in the administration of medical cannabis for a patient with a qualifying medical condition enrolled in the registry program.

Sec. 69. Minnesota Statutes 2020, section 152.25, subdivision 1, is amended to read:

Subdivision 1. **Medical cannabis manufacturer registration.** (a) The commissioner shall register two in-state manufacturers for the production of all medical cannabis within the state. A registration agreement between the commissioner and a manufacturer is nontransferable. The commissioner shall register new manufacturers or reregister the existing manufacturers by December 1 every two years, using the factors described in this subdivision. The commissioner shall accept applications after December 1, 2014, if one of the manufacturers registered before December 1, 2014, ceases to be registered as a manufacturer. The commissioner's determination that no manufacturer exists to fulfill the duties under sections 152.22 to 152.37 is subject to judicial review in Ramsey County District Court. Data submitted during the application process are private data on individuals or nonpublic data as defined in section 13.02 until the manufacturer is registered under this section. Data on a manufacturer that is registered are public data, unless the data are trade secret or security information under section 13.37.

(b) As a condition for registration, a manufacturer must agree to:

(1) begin supplying medical cannabis to patients ~~by July 1, 2015~~ within eight months of its initial registration; and

(2) comply with all requirements under sections 152.22 to 152.37.

(c) The commissioner shall consider the following factors when determining which manufacturer to register:

(1) the technical expertise of the manufacturer in cultivating medical cannabis and converting the medical cannabis into an acceptable delivery method under section 152.22, subdivision 6;

(2) the qualifications of the manufacturer's employees;

(3) the long-term financial stability of the manufacturer;

(4) the ability to provide appropriate security measures on the premises of the manufacturer;

(5) whether the manufacturer has demonstrated an ability to meet the medical cannabis production needs required by sections 152.22 to 152.37; and

(6) the manufacturer's projection and ongoing assessment of fees on patients with a qualifying medical condition.

(d) If an officer, director, or controlling person of the manufacturer pleads or is found guilty of intentionally diverting medical cannabis to a person other than allowed by law under section 152.33, subdivision 1, the commissioner may decide not to renew the registration of the manufacturer, provided the violation occurred while the person was an officer, director, or controlling person of the manufacturer.

(e) The commissioner shall require each medical cannabis manufacturer to contract with an independent laboratory to test medical cannabis produced by the manufacturer. The commissioner shall approve the laboratory chosen by each manufacturer and require that the laboratory report testing results to the manufacturer in a manner determined by the commissioner.

(f) The commissioner shall implement a state-centralized medical cannabis electronic database to monitor and track the manufacturers' medical cannabis inventories from the seed or clone source through cultivation, processing, testing, and distribution or disposal. The inventory tracking database must allow for information regarding medical cannabis to be updated instantaneously. Any manufacturer or third-party laboratory licensed under this chapter must submit to the commissioner any information the commissioner deems necessary for maintaining the inventory tracking database. The commissioner may contract with a separate entity to establish and maintain all or any part of the inventory tracking database. The provisions of section 13.05, subdivision 11, apply to a contract entered between the commissioner and a third party under this paragraph.

Sec. 70. Minnesota Statutes 2021 Supplement, section 152.27, subdivision 2, is amended to read:

Subd. 2. **Commissioner duties.** (a) The commissioner shall:

(1) give notice of the program to health care practitioners in the state who are eligible to serve as health care practitioners and explain the purposes and requirements of the program;

(2) allow each health care practitioner who meets or agrees to meet the program's requirements and who requests to participate, to be included in the registry program to collect data for the patient registry;

(3) provide explanatory information and assistance to each health care practitioner in understanding the nature of therapeutic use of medical cannabis within program requirements;

(4) create and provide a certification to be used by a health care practitioner for the practitioner to certify whether a patient has been diagnosed with a qualifying medical condition ~~and include in the certification an option for the practitioner to certify whether the patient, in the health care practitioner's medical opinion, is developmentally or physically disabled and, as a result of that disability, the patient requires assistance in administering medical cannabis or obtaining medical cannabis from a distribution facility~~;

(5) supervise the participation of the health care practitioner in conducting patient treatment and health records reporting in a manner that ensures stringent security and record-keeping requirements and that prevents the unauthorized release of private data on individuals as defined by section 13.02;

(6) develop safety criteria for patients with a qualifying medical condition as a requirement of the patient's participation in the program, to prevent the patient from undertaking any task under the influence of medical cannabis that would constitute negligence or professional malpractice on the part of the patient; and

(7) conduct research and studies based on data from health records submitted to the registry program and submit reports on intermediate or final research results to the legislature and major scientific journals. The commissioner may contract with a third party to complete the requirements of this clause. Any reports submitted must comply with section 152.28, subdivision 2.

(b) The commissioner may add a delivery method under section 152.22, subdivision 6, or add, remove, or modify a qualifying medical condition under section 152.22, subdivision 14, upon a petition from a member of the public or the task force on medical cannabis therapeutic research or as directed by law. The commissioner shall evaluate all petitions to add a qualifying medical condition or to remove or modify an existing qualifying medical condition submitted by the task force on medical cannabis therapeutic research or as directed by law and may make the addition, removal, or modification if the commissioner determines the addition, removal, or modification is warranted based on the best available evidence and research. If the commissioner wishes to add a delivery method under section 152.22, subdivision 6, or add or remove a qualifying medical condition under section 152.22, subdivision 14, the commissioner must notify the chairs and ranking minority members of the legislative policy committees having jurisdiction over health and public safety of the addition or removal and the reasons for its addition or removal, including any written comments received by the commissioner from the public and any guidance received from the task force on medical cannabis research, by January 15 of the year in which the commissioner wishes to make the change. The change shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

Sec. 71. Minnesota Statutes 2021 Supplement, section 152.29, subdivision 1, is amended to read:

Subdivision 1. **Manufacturer; requirements.** (a) A manufacturer may operate eight distribution facilities, which may include the manufacturer's single location for cultivation, harvesting, manufacturing, packaging, and processing but is not required to include that location. The commissioner shall designate the geographical service areas to be served by each manufacturer based on geographical need throughout the state to improve patient access. A manufacturer shall not have more than two distribution facilities in each geographical service area assigned to the manufacturer by the commissioner. A manufacturer shall operate only one location where all cultivation, harvesting, manufacturing, packaging, and processing of medical cannabis shall be conducted. This location may be one of the manufacturer's distribution facility sites. The additional distribution facilities may dispense medical cannabis and medical cannabis ~~products~~ paraphernalia but may not contain any medical cannabis in a form other than those forms allowed under section 152.22, subdivision 6, and the manufacturer shall not conduct any cultivation, harvesting, manufacturing, packaging, or processing at the other distribution facility sites. Any distribution facility operated by the manufacturer is subject to all of the requirements applying to the manufacturer under sections 152.22 to 152.37, including, but not limited to, security and distribution requirements.

(b) A manufacturer may acquire hemp grown in this state from a hemp grower, and may acquire hemp products produced by a hemp processor. A manufacturer may manufacture or process hemp and hemp products into an allowable form of medical cannabis under section 152.22, subdivision 6. Hemp and hemp products acquired by a manufacturer under this paragraph are subject to the same quality control program, security and testing requirements, and other requirements that apply to medical cannabis under sections 152.22 to 152.37 and Minnesota Rules, chapter 4770.

(c) A medical cannabis manufacturer shall contract with a laboratory approved by the commissioner, subject to any additional requirements set by the commissioner, for purposes of testing medical cannabis manufactured or hemp or hemp products acquired by the medical cannabis manufacturer as to content, contamination, and consistency to verify the medical cannabis meets the requirements of section 152.22, subdivision 6. The laboratory must collect, or contract with a third party that is not a manufacturer to collect, from the manufacturer's production facility the medical cannabis samples it will test. The cost of collecting samples and laboratory testing shall be paid by the manufacturer.

(d) The operating documents of a manufacturer must include:

(1) procedures for the oversight of the manufacturer and procedures to ensure accurate record keeping;

(2) procedures for the implementation of appropriate security measures to deter and prevent the theft of medical cannabis and unauthorized entrance into areas containing medical cannabis; and

(3) procedures for the delivery and transportation of hemp between hemp growers and manufacturers and for the delivery and transportation of hemp products between hemp processors and manufacturers.

(e) A manufacturer shall implement security requirements, including requirements for the delivery and transportation of hemp and hemp products, protection of each location by a fully operational security alarm system, facility access controls, perimeter intrusion detection systems, and a personnel identification system.

(f) A manufacturer shall not share office space with, refer patients to a health care practitioner, or have any financial relationship with a health care practitioner.

(g) A manufacturer shall not permit any person to consume medical cannabis on the property of the manufacturer.

(h) A manufacturer is subject to reasonable inspection by the commissioner.

(i) For purposes of sections 152.22 to 152.37, a medical cannabis manufacturer is not subject to the Board of Pharmacy licensure or regulatory requirements under chapter 151.

(j) A medical cannabis manufacturer may not employ any person who is under 21 years of age or who has been convicted of a disqualifying felony offense. An employee of a medical cannabis manufacturer must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees for submission to the Bureau of Criminal Apprehension before an employee may begin working with the manufacturer. The bureau must conduct a Minnesota criminal history records check and the superintendent is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau shall return the results of the Minnesota and federal criminal history records checks to the commissioner.

(k) A manufacturer may not operate in any location, whether for distribution or cultivation, harvesting, manufacturing, packaging, or processing, within 1,000 feet of a public or private school existing before the date of the manufacturer's registration with the commissioner.

(l) A manufacturer shall comply with reasonable restrictions set by the commissioner relating to signage, marketing, display, and advertising of medical cannabis.

(m) Before a manufacturer acquires hemp from a hemp grower or hemp products from a hemp processor, the manufacturer must verify that the hemp grower or hemp processor has a valid license issued by the commissioner of agriculture under chapter 18K.

(n) Until a state-centralized, seed-to-sale system is implemented that can track a specific medical cannabis plant from cultivation through testing and point of sale, the commissioner shall conduct at least one unannounced inspection per year of each manufacturer that includes inspection of:

(1) business operations;

(2) physical locations of the manufacturer's manufacturing facility and distribution facilities;

(3) financial information and inventory documentation, including laboratory testing results; and

(4) physical and electronic security alarm systems.

Sec. 72. Minnesota Statutes 2021 Supplement, section 152.29, subdivision 3, is amended to read:

Subd. 3. **Manufacturer; distribution.** (a) A manufacturer shall require that employees licensed as pharmacists pursuant to chapter 151 be the only employees to give final approval for the distribution of medical cannabis to a patient. A manufacturer may transport medical cannabis or medical cannabis ~~products~~ paraphernalia that have been cultivated, harvested, manufactured, packaged, and processed by that manufacturer to another registered manufacturer for the other manufacturer to distribute.

(b) A manufacturer may distribute medical cannabis ~~products~~ paraphernalia, whether or not the ~~products~~ medical cannabis paraphernalia have been manufactured by that manufacturer.

(c) Prior to distribution of any medical cannabis, the manufacturer shall:

(1) verify that the manufacturer has received the registry verification from the commissioner for that individual patient;

(2) verify that the person requesting the distribution of medical cannabis is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse listed in the registry verification using the procedures described in section 152.11, subdivision 2d;

(3) assign a tracking number to any medical cannabis distributed from the manufacturer;

(4) ensure that any employee of the manufacturer licensed as a pharmacist pursuant to chapter 151 has consulted with the patient to determine the proper dosage for the individual patient after reviewing the ranges of chemical compositions of the medical cannabis and the ranges of proper dosages reported by the commissioner. For purposes of this clause, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, so long as the employee providing the consultation is able to confirm the identity of the patient and the consultation adheres to patient privacy requirements that apply to health care services delivered through telehealth. A pharmacist consultation under this clause is not required when a manufacturer is distributing medical cannabis to a patient according to a patient-specific dosage plan established with that manufacturer and is not modifying the dosage or product being distributed under that plan and the medical cannabis is distributed by a pharmacy technician;

(5) properly package medical cannabis in compliance with the United States Poison Prevention Packing Act regarding child-resistant packaging and exemptions for packaging for elderly patients, and label distributed medical cannabis with a list of all active ingredients and individually identifying information, including:

(i) the patient's name and date of birth;

(ii) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent or legal guardian, if applicable;

(iii) the patient's registry identification number;

(iv) the chemical composition of the medical cannabis; and

(v) the dosage; and

(6) ensure that the medical cannabis distributed contains a maximum of a 90-day supply of the dosage determined for that patient.

(d) A manufacturer shall require any employee of the manufacturer who is transporting medical cannabis or medical cannabis ~~products~~ paraphernalia to a distribution facility or to another registered manufacturer to carry identification showing that the person is an employee of the manufacturer.

(e) A manufacturer shall distribute medical cannabis in dried raw cannabis form only to a patient age 21 or older, or to the registered designated caregiver, parent, legal guardian, or spouse of a patient age 21 or older.

Sec. 73. Minnesota Statutes 2020, section 152.29, subdivision 3a, is amended to read:

Subd. 3a. **Transportation of medical cannabis; transport staffing.** (a) A medical cannabis manufacturer may staff a transport motor vehicle with only one employee if the medical cannabis manufacturer is transporting medical cannabis to ~~either a certified laboratory for the purpose of testing or~~ a facility for the purpose of disposal. If the medical cannabis manufacturer is transporting medical cannabis for any other purpose or destination, the transport motor vehicle must be staffed with a minimum of two employees as required by rules adopted by the commissioner.

(b) Notwithstanding paragraph (a), a medical cannabis manufacturer that is only transporting hemp for any purpose may staff the transport motor vehicle with only one employee.

(c) A medical cannabis manufacturer may contract with a third party for armored car services for deliveries of medical cannabis from its production facility to distribution facilities. A medical cannabis manufacturer that contracts for armored car services remains responsible for compliance with transportation manifest and inventory tracking requirements in rules adopted by the commissioner.

(d) A third-party testing laboratory may staff a transport motor vehicle with one or more employees when transporting medical cannabis from a manufacturer's production facility to the testing laboratory for the purpose of testing samples.

(e) Department of Health staff may transport medical cannabis for the purposes of delivering medical cannabis and other samples to a laboratory for testing under rules adopted by the commissioner and in cases of special investigations when the commissioner has determined there is a potential threat to public health. The transport motor vehicle must be staffed by a minimum of two Department of Health employees. The employees must carry their Department of Health identification cards and a transport manifest that meets the requirements in Minnesota Rules, part 4770.1100, subpart 2.

(f) A Tribal medical cannabis program operated by a federally recognized Indian Tribe located within the state of Minnesota may transport samples of medical cannabis to testing laboratories and to other Indian lands in the state. Transport vehicles must be staffed by at least two employees of the Tribal medical cannabis program. Transporters must carry identification identifying them as employees of the Tribal medical cannabis program and a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

Sec. 74. Minnesota Statutes 2020, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 and an annual registration fee as determined under section 152.35.

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer but is not required to receive medical cannabis ~~products~~ paraphernalia from only a registered manufacturer.

Sec. 75. Minnesota Statutes 2020, section 152.32, subdivision 2, is amended to read:

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program, or possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis ~~products~~ paraphernalia by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The commissioner, the commissioner's staff, the commissioner's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for the participation in the registry program under sections 152.22 to 152.37. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient under sections 152.22 to 152.37 may be admitted as evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court or professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37.

(j) Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program does not constitute probable cause or reasonable suspicion, nor shall it be used to support a search of the person or property of the person possessing or applying for the registry verification, or otherwise subject the person or property of the person to inspection by any governmental agency.

Sec. 76. Minnesota Statutes 2020, section 152.36, is amended to read:

152.36 IMPACT ASSESSMENT OF MEDICAL CANNABIS THERAPEUTIC RESEARCH.

Subdivision 1. **Task force on medical cannabis therapeutic research.** (a) A 23-member task force on medical cannabis therapeutic research is created to conduct an impact assessment of medical cannabis therapeutic research. The task force shall consist of the following members:

(1) two members of the house of representatives, one selected by the speaker of the house, the other selected by the minority leader;

(2) two members of the senate, one selected by the majority leader, the other selected by the minority leader;

(3) four members representing consumers or patients enrolled in the registry program, including at least two parents of patients under age 18;

(4) four members representing health care providers, including one licensed pharmacist;

(5) four members representing law enforcement, one from the Minnesota Chiefs of Police Association, one from the Minnesota Sheriff's Association, one from the Minnesota Police and Peace Officers Association, and one from the Minnesota County Attorneys Association;

(6) four members representing substance use disorder treatment providers; and

(7) the commissioners of health, human services, and public safety.

(b) Task force members listed under paragraph (a), clauses (3), (4), (5), and (6), shall be appointed by the governor under the appointment process in section 15.0597. Members shall serve on the task force at the pleasure of the appointing authority. ~~All members must be appointed by July 15, 2014, and the commissioner of health shall convene the first meeting of the task force by August 1, 2014.~~

(c) There shall be two cochairs of the task force chosen from the members listed under paragraph (a). One cochair shall be selected by the speaker of the house and the other cochair shall be selected by the majority leader of the senate. The authority to convene meetings shall alternate between the cochairs.

(d) Members of the task force other than those in paragraph (a), clauses (1), (2), and (7), shall receive expenses as provided in section 15.059, subdivision 6.

Subd. 1a. **Administration.** The commissioner of health shall provide administrative and technical support to the task force.

Subd. 2. **Impact assessment.** The task force shall hold hearings to evaluate the impact of the use of medical cannabis and hemp and Minnesota's activities involving medical cannabis and hemp, including, but not limited to:

(1) program design and implementation;

(2) the impact on the health care provider community;

(3) patient experiences;

(4) the impact on the incidence of substance abuse;

(5) access to and quality of medical cannabis, hemp, and medical cannabis ~~products~~ paraphernalia;

(6) the impact on law enforcement and prosecutions;

(7) public awareness and perception; and

(8) any unintended consequences.

~~Subd. 3. **Cost assessment.** By January 15 of each year, beginning January 15, 2015, and ending January 15, 2019, the commissioners of state departments impacted by the medical cannabis therapeutic research study shall report to the cochairs of the task force on the costs incurred by each department on implementing sections 152.22 to 152.37. The reports must compare actual costs to the estimated costs of implementing these sections and must be submitted to the task force on medical cannabis therapeutic research.~~

Subd. 4. **Reports to the legislature.** (a) The cochairs of the task force shall submit ~~the following reports~~ an impact assessment report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services, public safety, judiciary, and civil law~~:~~

~~(1)~~ by February 1, 2015, ~~a report on the design and implementation of the registry program;~~ and every two years thereafter~~, a complete impact assessment report; and~~.

~~(2) upon receipt of a cost assessment from a commissioner of a state agency, the completed cost assessment.~~

(b) The task force may make recommendations to the legislature on whether to add or remove conditions from the list of qualifying medical conditions.

Subd. 5. **No expiration.** The task force on medical cannabis therapeutic research does not expire.

Sec. 77. **COMMISSIONER OF HEALTH; RECOMMENDATION REGARDING EXCEPTION TO HOSPITAL CONSTRUCTION MORATORIUM.**

By February 1, 2023, the commissioner of health, in consultation with the commissioner of human services, shall make a recommendation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance as to whether Minnesota Statutes, section 144.551, subdivision 1, should be amended to authorize exceptions, for hospitals in other counties and without a public interest review, that are substantially similar to the exception in Minnesota Statutes, section 144.551, subdivision 1, paragraph (b), clause (31).

Sec. 78. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall change the term "cancer surveillance system" to "cancer reporting system" wherever it appears in Minnesota Statutes and Minnesota Rules.

(b) The revisor of statutes shall make any necessary cross-reference changes required as a result of the amendments in sections 17 to 22.

Sec. 79. **REPEALER.**

Minnesota Statutes 2021 Supplement, section 144G.07, subdivision 6, is repealed.

ARTICLE 3
HEALTH CARE FINANCE

Section 1. **[62J.86] DEFINITIONS.**

Subdivision 1. **Definitions.** For the purposes of sections 62J.86 to 62J.92, the following terms have the meanings given.

Subd. 2. **Advisory council.** "Advisory council" means the Health Care Affordability Advisory Council established under section 62J.88.

Subd. 3. **Board.** "Board" means the Health Care Affordability Board established under section 62J.87.

Sec. 2. **[62J.87] HEALTH CARE AFFORDABILITY BOARD.**

Subdivision 1. **Establishment.** The Health Care Affordability Board is established and shall be governed as a board under section 15.012, paragraph (a), to protect consumers, state and local governments, health plan companies, providers, and other health care system stakeholders from unaffordable health care costs. The board must be operational by January 1, 2023.

Subd. 2. **Membership.** (a) The Health Care Affordability Board consists of 13 members, appointed as follows:

(1) five members appointed by the governor;

(2) two members appointed by the majority leader of the senate;

(3) two members appointed by the minority leader of the senate;

(4) two members appointed by the speaker of the house; and

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

(b) All appointed members must have knowledge and demonstrated expertise in one or more of the following areas: health care finance, health economics, health care management or administration at a senior level, health care consumer advocacy, representing the health care workforce as a leader in a labor organization, purchasing health care insurance as a health benefits administrator, delivery of primary care, health plan company administration, public or population health, and addressing health disparities and structural inequities.

(c) A member may not participate in board proceedings involving an organization, activity, or transaction in which the member has either a direct or indirect financial interest, other than as an individual consumer of health services.

(d) The Legislative Coordinating Commission shall coordinate appointments under this subdivision to ensure that board members are appointed by August 1, 2022, and that board members as a whole meet all of the criteria related to the knowledge and expertise specified in paragraph (b).

Subd. 3. **Terms.** (a) Board appointees shall serve four-year terms. A board member shall not serve more than three consecutive terms.

(b) A board member may resign at any time by giving written notice to the board.

Subd. 4. **Chair; other officers.** (a) The governor shall designate an acting chair from the members appointed by the governor.

(b) The board shall elect a chair to replace the acting chair at the first meeting of the board by a majority of the members. The chair shall serve for two years.

(c) The board shall elect a vice-chair and other officers from its membership as it deems necessary.

Subd. 5. **Staff; technical assistance; contracting.** (a) The board shall hire a full-time executive director and other staff, who shall serve in the unclassified service. The executive director must have significant knowledge and expertise in health economics and demonstrated experience in health policy.

(b) The attorney general shall provide legal services to the board.

(c) The Health Economics Program within the Department of Health shall provide technical assistance to the board in analyzing health care trends and costs and in setting health care spending growth targets.

(d) The board may employ or contract for professional and technical assistance, including actuarial assistance, as the board deems necessary to perform the board's duties.

Subd. 6. **Access to information.** (a) The board may request that a state agency provide the board with any publicly available information in a usable format as requested by the board, at no cost to the board.

(b) The board may request from a state agency unique or custom data sets, and the agency may charge the board for providing the data at the same rate the agency would charge any other public or private entity.

(c) Any information provided to the board by a state agency must be de-identified. For purposes of this subdivision, "de-identification" means the process used to prevent the identity of a person or business from being connected with the information and ensuring all identifiable information has been removed.

(d) Any data submitted to the board retains its original classification under the Minnesota Data Practices Act in chapter 13.

Subd. 7. **Compensation.** Board members shall not receive compensation but may receive reimbursement for expenses as authorized under section 15.059, subdivision 3.

Subd. 8. **Meetings.** (a) Meetings of the board are subject to chapter 13D. The board shall meet publicly at least quarterly. The board may meet in closed session when reviewing proprietary information as specified in section 62J.71, subdivision 4.

(b) The board shall announce each public meeting at least two weeks prior to the scheduled date of the meeting. Any materials for the meeting must be made public at least one week prior to the scheduled date of the meeting.

(c) At each public meeting, the board shall provide the opportunity for comments from the public, including the opportunity for written comments to be submitted to the board prior to a decision by the board.

Sec. 3. **[62J.88] HEALTH CARE AFFORDABILITY ADVISORY COUNCIL.**

Subdivision 1. **Establishment.** The governor shall appoint a Health Care Affordability Advisory Council of up to 15 members to provide advice to the board on health care costs and access issues and to represent the views of patients and other stakeholders. Members of the advisory council must be appointed based on their knowledge and

demonstrated expertise in one or more of the following areas: health care delivery, ensuring health care access for diverse populations, public and population health, patient perspectives, health care cost trends and drivers, clinical and health services research, innovation in health care delivery, and health care benefits management.

Subd. 2. **Duties; reports.** (a) The council shall provide technical recommendations to the board on:

(1) the identification of economic indicators and other metrics related to the development and setting of health care spending growth targets;

(2) data sources for measuring health care spending; and

(3) measurement of the impact of health care spending growth targets on diverse communities and populations, including but not limited to those communities and populations adversely affected by health disparities.

(b) The council shall report technical recommendations and a summary of its activities to the board at least annually, and shall submit additional reports on its activities and recommendations to the board, as requested by the board or at the discretion of the council.

Subd. 3. **Terms.** (a) The initial appointed advisory council members shall serve staggered terms of two, three, or four years determined by lot by the secretary of state. Following the initial appointments, advisory council members shall serve four-year terms.

(b) Removal and vacancies of advisory council members are governed by section 15.059.

Subd. 4. **Compensation.** Advisory council members may be compensated according to section 15.059.

Subd. 5. **Meetings.** The advisory council shall meet at least quarterly. Meetings of the advisory council are subject to chapter 13D.

Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council shall not expire.

Sec. 4. **[62J.89] DUTIES OF THE BOARD.**

Subdivision 1. **General.** (a) The board shall monitor the administration and reform of the health care delivery and payment systems in the state. The board shall:

(1) set health care spending growth targets for the state, as specified under section 62J.90;

(2) enhance the transparency of provider organizations;

(3) monitor the adoption and effectiveness of alternative payment methodologies;

(4) foster innovative health care delivery and payment models that lower health care cost growth while improving the quality of patient care;

(5) monitor and review the impact of changes within the health care marketplace; and

(6) monitor patient access to necessary health care services.

(b) The board shall establish goals to reduce health care disparities in racial and ethnic communities and to ensure access to quality care for persons with disabilities or with chronic or complex health conditions.

Subd. 2. **Market trends.** The board shall monitor efforts to reform the health care delivery and payment system in Minnesota to understand emerging trends in the commercial health insurance market, including large self-insured employers and the state's public health care programs, in order to identify opportunities for state action to achieve:

(1) improved patient experience of care, including quality and satisfaction;

(2) improved health of all populations, including a reduction in health disparities; and

(3) a reduction in the growth of health care costs.

Subd. 3. **Recommendations for reform.** The board shall recommend legislative policy, market, or any other reforms to:

(1) lower the rate of growth in commercial health care costs and public health care program spending in the state;

(2) positively impact the state's rankings in the areas listed in this subdivision and subdivision 2; and

(3) improve the quality and value of care for all Minnesotans, and for specific populations adversely affected by health inequities.

Subd. 4. **Office of Patient Protection.** The board shall establish an Office of Patient Protection, to be operational by January 1, 2024. The office shall assist consumers with issues related to access and quality of health care, and advise the legislature on ways to reduce consumer health care spending and improve consumer experiences by reducing complexity for consumers.

Sec. 5. **[62J.90] HEALTH CARE SPENDING GROWTH TARGETS.**

Subdivision 1. **Establishment and administration.** The board shall establish and administer the health care spending growth target program to limit health care spending growth in the state, and shall report regularly to the legislature and the public on progress toward these targets.

Subd. 2. **Methodology.** (a) The board shall develop a methodology to establish annual health care spending growth targets and the economic indicators to be used in establishing the initial and subsequent target levels.

(b) The health care spending growth target must:

(1) use a clear and operational definition of total state health care spending;

(2) promote a predictable and sustainable rate of growth for total health care spending as measured by an established economic indicator, such as the rate of increase of the state's economy or of the personal income of residents of this state, or a combination;

(3) define the health care markets and the entities to which the targets apply;

(4) take into consideration the potential for variability in targets across public and private payers;

(5) account for the health status of patients; and

(6) incorporate specific benchmarks related to health equity.

(c) In developing, implementing, and evaluating the growth target program, the board shall:

(1) consider the incorporation of quality of care and primary care spending goals;

(2) ensure that the program does not place a disproportionate burden on communities most impacted by health disparities, the providers who primarily serve communities most impacted by health disparities, or individuals who reside in rural areas or have high health care needs;

(3) explicitly consider payment models that help ensure financial sustainability of rural health care delivery systems and the ability to provide population health;

(4) allow setting growth targets that encourage an individual health care entity to serve populations with greater health care risks by incorporating:

(i) a risk factor adjustment reflecting the health status of the entity's patient mix; and

(ii) an equity adjustment accounting for the social determinants of health and other factors related to health equity for the entity's patient mix;

(5) ensure that growth targets:

(i) do not constrain the Minnesota health care workforce, including the need to provide competitive wages and benefits;

(ii) do not limit the use of collective bargaining or place a floor or ceiling on health care workforce compensation; and

(iii) promote workforce stability and maintain high-quality health care jobs; and

(6) consult with the advisory council and other stakeholders.

Subd. 3. **Data.** The board shall identify data to be used for tracking performance in meeting the growth target and identify methods of data collection necessary for efficient implementation by the board. In identifying data and methods, the board shall:

(1) consider the availability, timeliness, quality, and usefulness of existing data, including the data collected under section 62U.04;

(2) assess the need for additional investments in data collection, data validation, or data analysis capacity to support the board in performing its duties; and

(3) minimize the reporting burden to the extent possible.

Subd. 4. **Setting growth targets; related duties.** (a) The board, by June 15, 2023, and by June 15 of each succeeding calendar year through June 15, 2027, shall establish annual health care spending growth targets for the next calendar year consistent with the requirements of this section. The board shall set annual health care spending growth targets for the five-year period from January 1, 2024, through December 31, 2028.

(b) The board shall periodically review all components of the health care spending growth target program methodology, economic indicators, and other factors. The board may revise the annual spending growth targets after a public hearing, as appropriate. If the board revises a spending growth target, the board must provide public notice at least 60 days before the start of the calendar year to which the revised growth target will apply.

(c) The board, based on an analysis of drivers of health care spending and evidence from public testimony, shall evaluate strategies and new policies, including the establishment of accountability mechanisms, that are able to contribute to meeting growth targets and limiting health care spending growth without increasing disparities in access to health care.

Subd. 5. **Hearings.** At least annually, the board shall hold public hearings to present findings from spending growth target monitoring. The board shall also regularly hold public hearings to take testimony from stakeholders on health care spending growth, setting and revising health care spending growth targets, the impact of spending growth and growth targets on health care access and quality, and as needed to perform the duties assigned under section 62J.89, subdivisions 1, 2, and 3.

Sec. 6. **[62J.91] NOTICE TO HEALTH CARE ENTITIES.**

Subdivision 1. **Notice.** (a) The board shall provide notice to all health care entities that have been identified by the board as exceeding the spending growth target for any given year.

(b) For purposes of this section, "health care entity" must be defined by the board during the development of the health care spending growth methodology. When developing this methodology, the board shall consider a definition of health care entity that includes clinics, hospitals, ambulatory surgical centers, physician organizations, accountable care organizations, integrated provider and plan systems, and other entities defined by the board, provided that physician organizations with a patient panel of 15,000 or fewer, or which represent providers who collectively receive less than $25,000,000 in annual net patient service revenue from health plan companies and other payers, are exempt.

Subd. 2. **Performance improvement plans.** (a) The board shall establish and implement procedures to assist health care entities to improve efficiency and reduce cost growth by requiring some or all health care entities provided notice under subdivision 1 to file and implement a performance improvement plan. The board shall provide written notice of this requirement to health care entities.

(b) Within 45 days of receiving a notice of the requirement to file a performance improvement plan, a health care entity shall:

(1) file a performance improvement plan with the board; or

(2) file an application with the board to waive the requirement to file a performance improvement plan or extend the timeline for filing a performance improvement plan.

(c) The health care entity may file any documentation or supporting evidence with the board to support the health care entity's application to waive or extend the timeline to file a performance improvement plan. The board shall require the health care entity to submit any other relevant information it deems necessary in considering the waiver or extension application, provided that this information must be made public at the discretion of the board. The board may waive or delay the requirement for a health care entity to file a performance improvement plan in response to a waiver or extension request in light of all information received from the health care entity, based on a consideration of the following factors:

(1) the costs, price, and utilization trends of the health care entity over time, and any demonstrated improvement in reducing per capita medical expenses adjusted by health status;

(2) any ongoing strategies or investments that the health care entity is implementing to improve future long-term efficiency and reduce cost growth;

(3) whether the factors that led to increased costs for the health care entity can reasonably be considered to be unanticipated and outside of the control of the entity. These factors may include but are not limited to age and other health status adjusted factors and other cost inputs such as pharmaceutical expenses and medical device expenses;

(4) the overall financial condition of the health care entity; and

(5) any other factors the board considers relevant. If the board declines to waive or extend the requirement for the health care entity to file a performance improvement plan, the board shall provide written notice to the health care entity that its application for a waiver or extension was denied and the health care entity shall file a performance improvement plan.

(d) A health care entity shall file a performance improvement plan with the board:

(1) within 45 days of receipt of an initial notice;

(2) if the health care entity has requested a waiver or extension, within 45 days of receipt of a notice that such waiver or extension has been denied; or

(3) if the health care entity is granted an extension, on the date given on the extension.

(e) The performance improvement plan must identify the causes of the entity's cost growth and include but not be limited to specific strategies, adjustments, and action steps the entity proposes to implement to improve cost performance. The proposed performance improvement plan must include specific identifiable and measurable expected outcomes and a timetable for implementation. The timetable for a performance improvement plan must not exceed 18 months.

(f) The board shall approve any performance improvement plan it determines is reasonably likely to address the underlying cause of the entity's cost growth and has a reasonable expectation for successful implementation. If the board determines that the performance improvement plan is unacceptable or incomplete, the board may provide consultation on the criteria that have not been met and may allow an additional time period of up to 30 calendar days for resubmission. Upon approval of the proposed performance improvement plan, the board shall notify the health care entity to begin immediate implementation of the performance improvement plan. The board shall provide public notice on its website identifying that the health care entity is implementing a performance improvement plan. All health care entities implementing an approved performance improvement plan shall be subject to additional reporting requirements and compliance monitoring, as determined by the board. The board shall provide assistance to the health care entity in the successful implementation of the performance improvement plan.

(g) All health care entities shall in good faith work to implement the performance improvement plan. At any point during the implementation of the performance improvement plan, the health care entity may file amendments to the performance improvement plan, subject to approval of the board. At the conclusion of the timetable established in the performance improvement plan, the health care entity shall report to the board regarding the outcome of the performance improvement plan. If the board determines the performance improvement plan was not implemented successfully, the board shall:

(1) extend the implementation timetable of the existing performance improvement plan;

(2) approve amendments to the performance improvement plan as proposed by the health care entity;

(3) require the health care entity to submit a new performance improvement plan; or

(4) waive or delay the requirement to file any additional performance improvement plans.

(h) Upon the successful completion of the performance improvement plan, the board shall remove the identity of the health care entity from the board's website. The board may assist health care entities with implementing the performance improvement plans or otherwise ensure compliance with this subdivision.

(i) If the board determines that a health care entity has:

(1) willfully neglected to file a performance improvement plan with the board within 45 days as required;

(2) failed to file an acceptable performance improvement plan in good faith with the board;

(3) failed to implement the performance improvement plan in good faith; or

(4) knowingly failed to provide information required by this subdivision to the board or knowingly provided false information, the board may assess a civil penalty to the health care entity of not more than $500,000. The board must only impose a civil penalty as a last resort.

Sec. 7. **[62J.92] REPORTING REQUIREMENTS.**

Subdivision 1. **General requirement.** (a) The board shall present the reports required by this section to the chairs and ranking members of the legislative committees with primary jurisdiction over health care finance and policy. The board shall also make these reports available to the public on the board's website.

(b) The board may contract with a third-party vendor for technical assistance in preparing the reports.

Subd. 2. **Progress reports.** The board shall submit written progress updates about the development and implementation of the health care spending growth target program by February 15, 2024, and February 15, 2025. The updates must include reporting on board membership and activities, program design decisions, planned timelines for implementation of the program, and the progress of implementation. The reports must include the methodological details underlying program design decisions.

Subd. 3. **Health care spending trends.** By December 15, 2024, and every December 15 thereafter, the board shall submit a report on health care spending trends and the health care spending growth target program that includes:

(1) spending growth in aggregate and for entities subject to health care spending growth targets relative to established target levels;

(2) findings from analyses of drivers of health care spending growth;

(3) estimates of the impact of health care spending growth on Minnesota residents, including for communities most impacted by health disparities, related to their access to insurance and care, value of health care, and the ability to pursue other spending priorities;

(4) the potential and observed impact of the health care growth targets on the financial viability of the rural delivery system;

(5) changes under consideration for revising the methodology to monitor or set growth targets;

(6) recommendations for initiatives to assist health care entities in meeting health care spending growth targets, including broader and more transparent adoption of value-based payment arrangements; and

(7) the number of health care entities whose spending growth exceeded growth targets, information on performance improvement plans and the extent to which the plans were completed, and any civil penalties imposed on health care entities related to noncompliance with performance improvement plans and related requirements.

Sec. 8. Minnesota Statutes 2020, section 62U.04, subdivision 11, is amended to read:

Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 and 5 for the following purposes:

(1) to evaluate the performance of the health care home program as authorized under section 62U.03, subdivision 7;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations;

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities; ~~and~~

(5) to compile one or more public use files of summary data or tables that must:

(i) be available to the public for no or minimal cost by March 1, 2016, and available by web-based electronic data download by June 30, 2019;

(ii) not identify individual patients, payers, or providers;

(iii) be updated by the commissioner, at least annually, with the most current data available;

(iv) contain clear and conspicuous explanations of the characteristics of the data, such as the dates of the data contained in the files, the absence of costs of care for uninsured patients or nonresidents, and other disclaimers that provide appropriate context; and

(v) not lead to the collection of additional data elements beyond what is authorized under this section as of June 30, 2015~~.~~; and

(6) to provide technical assistance to the Health Care Affordability Board to implement sections 62J.86 to 62J.92.

(b) The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned.

(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.

(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2023.

(e) The commissioner shall consult with the all-payer claims database work group established under subdivision 12 regarding the technical considerations necessary to create the public use files of summary data described in paragraph (a), clause (5).

Sec. 9. Minnesota Statutes 2020, section 256.01, is amended by adding a subdivision to read:

Subd. 43. **Education on contraceptive options.** The commissioner shall require hospitals and primary care providers serving medical assistance and MinnesotaCare enrollees to develop and implement protocols to provide these enrollees, when appropriate, with comprehensive and scientifically accurate information on the full range of contraceptive options in a medically ethical, culturally competent, and noncoercive manner. The information provided must be designed to assist enrollees in identifying the contraceptive method that best meets their needs and the needs of their families. The protocol must specify the enrollee categories to which this requirement will be applied, the process to be used, and the information and resources to be provided. Hospitals and providers must make this protocol available to the commissioner upon request.

Sec. 10. Minnesota Statutes 2020, section 256.969, is amended by adding a subdivision to read:

Subd. 31. **Long-acting reversible contraceptives.** (a) The commissioner must provide separate reimbursement to hospitals for long-acting reversible contraceptives provided immediately postpartum in the inpatient hospital setting. This payment must be in addition to the diagnostic related group (DRG) reimbursement for labor and delivery.

(b) The commissioner must require managed care and county-based purchasing plans to comply with this subdivision when providing services to medical assistance enrollees.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 11. Minnesota Statutes 2020, section 256B.021, subdivision 4, is amended to read:

Subd. 4. **Projects.** The commissioner shall request permission and funding to further the following initiatives.

(a) Health care delivery demonstration projects. This project involves testing alternative payment and service delivery models in accordance with sections 256B.0755 and 256B.0756. These demonstrations will allow the Minnesota Department of Human Services to engage in alternative payment arrangements with provider organizations that provide services to a specified patient population for an agreed upon total cost of care or risk/gain sharing payment arrangement, but are not limited to these models of care delivery or payment. Quality of care and patient experience will be measured and incorporated into payment models alongside the cost of care. Demonstration sites should include Minnesota health care programs fee-for-services recipients and managed care enrollees and support a robust primary care model and improved care coordination for recipients.

(b) Promote personal responsibility and encourage and reward healthy outcomes. This project provides Medicaid funding to provide individual and group incentives to encourage healthy behavior, prevent the onset of chronic disease, and reward healthy outcomes. Focus areas may include diabetes prevention and management, tobacco cessation, reducing weight, lowering cholesterol, and lowering blood pressure.

(c) Encourage utilization of high quality, cost-effective care. This project creates incentives ~~through Medicaid and MinnesotaCare enrollee cost-sharing and other means~~ to encourage the utilization of high-quality, low-cost, high-value providers, as determined by the state's provider peer grouping initiative under section 62U.04.

(d) Adults without children. This proposal includes requesting federal authority to impose a limit on assets for adults without children in medical assistance, as defined in section 256B.055, subdivision 15, who have a household income equal to or less than 75 percent of the federal poverty limit, and to impose a 180-day durational residency requirement in MinnesotaCare, consistent with section 256L.09, subdivision 4, for adults without children, regardless of income.

(e) Empower and encourage work, housing, and independence. This project provides services and supports for individuals who have an identified health or disabling condition but are not yet certified as disabled, in order to delay or prevent permanent disability, reduce the need for intensive health care and long-term care services and supports, and to help maintain or obtain employment or assist in return to work. Benefits may include:

(1) coordination with health care homes or health care coordinators;

(2) assessment for wellness, housing needs, employment, planning, and goal setting;

(3) training services;

(4) job placement services;

(5) career counseling;

(6) benefit counseling;

(7) worker supports and coaching;

(8) assessment of workplace accommodations;

(9) transitional housing services; and

(10) assistance in maintaining housing.

(f) Redesign home and community-based services. This project realigns existing funding, services, and supports for people with disabilities and older Minnesotans to ensure community integration and a more sustainable service system. This may involve changes that promote a range of services to flexibly respond to the following needs:

(1) provide people less expensive alternatives to medical assistance services;

(2) offer more flexible and updated community support services under the Medicaid state plan;

(3) provide an individual budget and increased opportunity for self-direction;

(4) strengthen family and caregiver support services;

(5) allow persons to pool resources or save funds beyond a fiscal year to cover unexpected needs or foster development of needed services;

(6) use of home and community-based waiver programs for people whose needs cannot be met with the expanded Medicaid state plan community support service options;

(7) target access to residential care for those with higher needs;

(8) develop capacity within the community for crisis intervention and prevention;

(9) redesign case management;

(10) offer life planning services for families to plan for the future of their child with a disability;

(11) enhance self-advocacy and life planning for people with disabilities;

(12) improve information and assistance to inform long-term care decisions; and

(13) increase quality assurance, performance measurement, and outcome-based reimbursement.

This project may include different levels of long-term supports that allow seniors to remain in their homes and communities, and expand care transitions from acute care to community care to prevent hospitalizations and nursing home placement. The levels of support for seniors may range from basic community services for those with lower needs, access to residential services if a person has higher needs, and targets access to nursing home care to those with rehabilitation or high medical needs. This may involve the establishment of medical need thresholds to accommodate the level of support needed; provision of a long-term care consultation to persons seeking residential services, regardless of payer source; adjustment of incentives to providers and care coordination organizations to achieve desired outcomes; and a required coordination with medical assistance basic care benefit and Medicare/Medigap benefit. This proposal will improve access to housing and improve capacity to maintain individuals in their existing home; adjust screening and assessment tools, as needed; improve transition and relocation efforts; seek federal financial participation for alternative care and essential community supports; and provide Medigap coverage for people having lower needs.

(g) Coordinate and streamline services for people with complex needs, including those with multiple diagnoses of physical, mental, and developmental conditions. This project will coordinate and streamline medical assistance benefits for people with complex needs and multiple diagnoses. It would include changes that:

(1) develop community-based service provider capacity to serve the needs of this group;

(2) build assessment and care coordination expertise specific to people with multiple diagnoses;

(3) adopt service delivery models that allow coordinated access to a range of services for people with complex needs;

(4) reduce administrative complexity;

(5) measure the improvements in the state's ability to respond to the needs of this population; and

(6) increase the cost-effectiveness for the state budget.

(h) Implement nursing home level of care criteria. This project involves obtaining any necessary federal approval in order to implement the changes to the level of care criteria in section 144.0724, subdivision 11, and implement further changes necessary to achieve reform of the home and community-based service system.

(i) Improve integration of Medicare and Medicaid. This project involves reducing fragmentation in the health care delivery system to improve care for people eligible for both Medicare and Medicaid, and to align fiscal incentives between primary, acute, and long-term care. The proposal may include:

(1) requesting an exception to the new Medicare methodology for payment adjustment for fully integrated special needs plans for dual eligible individuals;

(2) testing risk adjustment models that may be more favorable to capturing the needs of frail dually eligible individuals;

(3) requesting an exemption from the Medicare bidding process for fully integrated special needs plans for the dually eligible;

(4) modifying the Medicare bid process to recognize additional costs of health home services; and

(5) requesting permission for risk-sharing and gain-sharing.

(j) Intensive residential treatment services. This project would involve providing intensive residential treatment services for individuals who have serious mental illness and who have other complex needs. This proposal would allow such individuals to remain in these settings after mental health symptoms have stabilized, in order to maintain their mental health and avoid more costly or unnecessary hospital or other residential care due to their other complex conditions. The commissioner may pursue a specialized rate for projects created under this section.

(k) Seek federal Medicaid matching funds for Anoka-Metro Regional Treatment Center (AMRTC). This project involves seeking Medicaid reimbursement for medical services provided to patients to AMRTC, including requesting a waiver of United States Code, title 42, section 1396d, which prohibits Medicaid reimbursement for expenditures for services provided by hospitals with more than 16 beds that are primarily focused on the treatment of mental illness. This waiver would allow AMRTC to serve as a statewide resource to provide diagnostics and treatment for people with the most complex conditions.

(l) Waivers to allow Medicaid eligibility for children under age 21 receiving care in residential facilities. This proposal would seek Medicaid reimbursement for any Medicaid-covered service for children who are placed in residential settings that are determined to be "institutions for mental diseases," under United States Code, title 42, section 1396d.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 12. Minnesota Statutes 2021 Supplement, section 256B.0371, subdivision 4, is amended to read:

Subd. 4. **Dental utilization report.** (a) The commissioner shall submit an annual report beginning March 15, 2022, and ending March 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance that includes the percentage for adults and children one through 20 years of age for the most recent complete calendar year receiving at least one dental visit for both fee-for-service and the prepaid medical assistance program. The report must include:

(1) statewide utilization for both fee-for-service and for the prepaid medical assistance program;

(2) utilization by county;

(3) utilization by children receiving dental services through fee-for-service and through a managed care plan or county-based purchasing plan;

(4) utilization by adults receiving dental services through fee-for-service and through a managed care plan or county-based purchasing plan.

(b) The report must also include a description of any corrective action plans required to be submitted under subdivision 2.

(c) The initial report due on March 15, 2022, must include the utilization metrics described in paragraph (a) for each of the following calendar years: 2017, 2018, 2019, and 2020.

(d) In the annual report due on March 15, 2023, and in each report due thereafter, the commissioner shall include the following:

(1) the number of dentists enrolled with the commissioner as a medical assistance dental provider and the congressional district or districts in which the dentist provides services;

(2) the number of enrolled dentists who provided fee-for-service dental services to medical assistance or MinnesotaCare patients within the previous calendar year in the following increments: one to nine patients, ten to 100 patients, and over 100 patients;

(3) the number of enrolled dentists who provided dental services to medical assistance or MinnesotaCare patients through a managed care plan or county-based purchasing plan within the previous calendar year in the following increments: one to nine patients, ten to 100 patients, and over 100 patients; and

(4) the number of dentists who provided dental services to a new patient who was enrolled in medical assistance or MinnesotaCare within the previous calendar year.

(e) The report due on March 15, 2023, must include the metrics described in paragraph (d) for each of the following years: 2017, 2018, 2019, 2020, and 2021.

Sec. 13. Minnesota Statutes 2021 Supplement, section 256B.04, subdivision 14, is amended to read:

Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C, to provide items under the medical assistance program including but not limited to the following:

(1) eyeglasses;

(2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;

(3) hearing aids and supplies;

(4) durable medical equipment, including but not limited to:

(i) hospital beds;

(ii) commodes;

(iii) glide-about chairs;

(iv) patient lift apparatus;

(v) wheelchairs and accessories;

(vi) oxygen administration equipment;

(vii) respiratory therapy equipment;

(viii) electronic diagnostic, therapeutic and life-support systems; and

(ix) allergen-reducing products as described in section 256B.0625, subdivision 67, paragraph (c) or (d);

(5) nonemergency medical transportation level of need determinations, disbursement of public transportation passes and tokens, and volunteer and recipient mileage and parking reimbursements; and

(6) drugs.

(b) Rate changes ~~and recipient cost-sharing~~ under this chapter and chapter 256L do not affect contract payments under this subdivision unless specifically identified.

(c) The commissioner may not utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C for special transportation services or incontinence products and related supplies.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 14. Minnesota Statutes 2021 Supplement, section 256B.04, subdivision 14, is amended to read:

Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C, to provide items under the medical assistance program including but not limited to the following:

(1) eyeglasses;

(2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;

(3) hearing aids and supplies;

(4) durable medical equipment, including but not limited to:

(i) hospital beds;

(ii) commodes;

(iii) glide-about chairs;

(iv) patient lift apparatus;

(v) wheelchairs and accessories;

(vi) oxygen administration equipment;

(vii) respiratory therapy equipment;

(viii) electronic diagnostic, therapeutic and life-support systems; and

(ix) allergen-reducing products as described in section 256B.0625, subdivision 67, paragraph (c) or (d);

(5) nonemergency medical transportation level of need determinations, disbursement of public transportation passes and tokens, and volunteer and recipient mileage and parking reimbursements; ~~and~~

(6) drugs~~.~~; and

(7) quitline services as described in section 256B.0625, subdivision 68.

(b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not affect contract payments under this subdivision unless specifically identified.

(c) The commissioner may not utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C for special transportation services or incontinence products and related supplies.

Sec. 15. Minnesota Statutes 2020, section 256B.055, subdivision 17, is amended to read:

Subd. 17. **Adults who were in foster care at the age of 18.** (a) Medical assistance may be paid for a person under 26 years of age who was in foster care under the commissioner's responsibility on the date of attaining 18 years of age or older, and who was enrolled in medical assistance under ~~the~~ a state plan or a waiver of ~~the~~ a plan while in foster care, in accordance with section 2004 of the Affordable Care Act.

(b) Beginning January 1, 2023, medical assistance may be paid for a person under 26 years of age who was in foster care and enrolled in another state's Medicaid program while in foster care, in accordance with Public Law 115-271, section 1002, the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 16. Minnesota Statutes 2020, section 256B.056, subdivision 3, is amended to read:

Subd. 3. **Asset limitations for certain individuals.** (a) To be eligible for medical assistance, a person must not individually own more than ~~$3,000~~ $20,000 in assets, or if a member of a household with two family members, husband and wife, or parent and child, the household must not own more than ~~$6,000~~ $40,000 in assets, plus $200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The accumulation of the clothing and personal needs allowance according to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance is the value of those assets excluded under the Supplemental Security Income program for aged, blind, and disabled persons, with the following exceptions:

(1) household goods and personal effects are not considered;

(2) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered;

(3) motor vehicles are excluded to the same extent excluded by the Supplemental Security Income program;

(4) assets designated as burial expenses are excluded to the same extent excluded by the Supplemental Security Income program. Burial expenses funded by annuity contracts or life insurance policies must irrevocably designate the individual's estate as contingent beneficiary to the extent proceeds are not used for payment of selected burial expenses;

(5) for a person who no longer qualifies as an employed person with a disability due to loss of earnings, assets allowed while eligible for medical assistance under section 256B.057, subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility as an employed person with a disability, to the extent that the person's total assets remain within the allowed limits of section 256B.057, subdivision 9, paragraph (d);

(6) a designated employment incentives asset account is disregarded when determining eligibility for medical assistance for a person age 65 years or older under section 256B.055, subdivision 7. An employment incentives asset account must only be designated by a person who has been enrolled in medical assistance under section 256B.057, subdivision 9, for a 24-consecutive-month period. A designated employment incentives asset account contains qualified assets owned by the person and the person's spouse in the last month of enrollment in medical assistance under section 256B.057, subdivision 9. Qualified assets include retirement and pension accounts, medical expense accounts, and up to $17,000 of the person's other nonexcluded assets. An employment incentives asset account is no longer designated when a person loses medical assistance eligibility for a calendar month or more before turning age 65. A person who loses medical assistance eligibility before age 65 can establish a new designated employment incentives asset account by establishing a new 24-consecutive-month period of enrollment under section 256B.057, subdivision 9. The income of a spouse of a person enrolled in medical assistance under section 256B.057, subdivision 9, during each of the 24 consecutive months before the person's 65th birthday must be disregarded when determining eligibility for medical assistance under section 256B.055, subdivision 7. Persons eligible under this clause are not subject to the provisions in section 256B.059; ~~and~~

(7) effective July 1, 2009, certain assets owned by American Indians are excluded as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50~~.~~; and

(8) for individuals who were enrolled in medical assistance during the COVID-19 federal public health emergency declared by the United States Secretary of Health and Human Services and who are subject to the asset limits established by this subdivision, assets in excess of the limits must be disregarded until 95 days after the individual's first renewal occurring after the expiration of the COVID-19 federal public health emergency declared by the United States Secretary of Health and Human Services.

(b) No asset limit shall apply to persons eligible under section 256B.055, subdivision 15.

EFFECTIVE DATE. The amendment to paragraph (a) increasing the asset limits is effective January 1, 2025, or upon federal approval, whichever is later. The amendment to paragraph (a) adding clause (8) is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2020, section 256B.056, subdivision 4, is amended to read:

Subd. 4. **Income.** (a) To be eligible for medical assistance, a person eligible under section 256B.055, subdivisions 7, 7a, and 12, may have income up to 100 percent of the federal poverty guidelines, and effective January 1, 2025, income up to 133 percent of the federal poverty guidelines. Effective January 1, 2000, and each successive January, recipients of Supplemental Security Income may have an income up to the Supplemental Security Income standard in effect on that date.

(b) To be eligible for medical assistance under section 256B.055, subdivision 3a, a parent or caretaker relative may have an income up to 133 percent of the federal poverty guidelines for the household size.

(c) To be eligible for medical assistance under section 256B.055, subdivision 15, a person may have an income up to 133 percent of federal poverty guidelines for the household size.

(d) To be eligible for medical assistance under section 256B.055, subdivision 16, a child age 19 to 20 may have an income up to 133 percent of the federal poverty guidelines for the household size.

(e) To be eligible for medical assistance under section 256B.055, subdivision 3a, a child under age 19 may have income up to 275 percent of the federal poverty guidelines for the household size.

(f) In computing income to determine eligibility of persons under paragraphs (a) to (e) who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Laws 94-566, section 503; 99-272; and 99-509. For persons eligible under paragraph (a), veteran aid and attendance benefits and Veterans Administration unusual medical expense payments are considered income to the recipient.

Sec. 18. Minnesota Statutes 2020, section 256B.056, subdivision 7, is amended to read:

Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(b) For a person eligible for an insurance affordability program as defined in section 256B.02, subdivision 19, who reports a change that makes the person eligible for medical assistance, eligibility is available for the month the change was reported and for three months prior to the month the change was reported, if the person was eligible in those prior months.

(c) Once determined eligible for medical assistance, a child under the age of 21 is continuously eligible for a period of up to 12 months, unless:

(1) the child reaches age 21;

(2) the child requests voluntary termination of coverage;

(3) the child ceases to be a resident of Minnesota;

(4) the child dies; or

(5) the agency determines the child's eligibility was erroneously granted due to agency error or enrollee fraud, abuse, or perjury.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 19. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. **Dental services.** (a) Medical assistance covers medically necessary dental services.

~~(b) Medical assistance dental coverage for nonpregnant adults is limited to the following services:~~

~~(1) comprehensive exams, limited to once every five years;~~

~~(2) periodic exams, limited to one per year;~~

~~(3) limited exams;~~

~~(4) bitewing x-rays, limited to one per year;~~

~~(5) periapical x-rays;~~

~~(6) panoramic x-rays, limited to one every five years except (1) when medically necessary for the diagnosis and follow-up of oral and maxillofacial pathology and trauma or (2) once every two years for patients who cannot cooperate for intraoral film due to a developmental disability or medical condition that does not allow for intraoral film placement;~~

~~(7) prophylaxis, limited to one per year;~~

~~(8) application of fluoride varnish, limited to one per year;~~

~~(9) posterior fillings, all at the amalgam rate;~~

~~(10) anterior fillings;~~

~~(11) endodontics, limited to root canals on the anterior and premolars only;~~

~~(12) removable prostheses, each dental arch limited to one every six years;~~

~~(13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;~~

~~(14) palliative treatment and sedative fillings for relief of pain;~~

~~(15) full-mouth debridement, limited to one every five years; and~~

~~(16) nonsurgical treatment for periodontal disease, including scaling and root planing once every two years for each quadrant, and routine periodontal maintenance procedures.~~

~~(c) In addition to the services specified in paragraph (b), medical assistance covers the following services for adults, if provided in an outpatient hospital setting or freestanding ambulatory surgical center as part of outpatient dental surgery:~~

~~(1) periodontics, limited to periodontal scaling and root planing once every two years;~~

~~(2) general anesthesia; and~~

~~(3) full-mouth survey once every five years.~~

~~(d) Medical assistance covers medically necessary dental services for children and pregnant women.~~ The following guidelines apply:

(1) posterior fillings are paid at the amalgam rate;

(2) application of sealants are covered once every five years per permanent molar ~~for children only~~;

(3) application of fluoride varnish is covered once every six months; and

(4) orthodontia is eligible for coverage for children only.

~~(e)~~ (b) In addition to the services specified in ~~paragraphs (b) and (c)~~ paragraph (a), medical assistance covers the following services ~~for adults~~:

(1) house calls or extended care facility calls for on-site delivery of covered services;

(2) behavioral management when additional staff time is required to accommodate behavioral challenges and sedation is not used;

(3) oral or IV sedation, if the covered dental service cannot be performed safely without it or would otherwise require the service to be performed under general anesthesia in a hospital or surgical center; and

(4) prophylaxis, in accordance with an appropriate individualized treatment plan, but no more than four times per year.

~~(f)~~ (c) The commissioner shall not require prior authorization for the services included in paragraph ~~(e)~~ (b), clauses (1) to (3), and shall prohibit managed care and county-based purchasing plans from requiring prior authorization for the services included in paragraph ~~(e)~~ (b), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

(c) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(d) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(e) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(f) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

(g) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(h) The administrative agency shall use the level of service process established by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(i) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(j) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(k) The commissioner shall:

(1) in consultation with the Nonemergency Medical Transportation Advisory Committee, verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(l) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(m) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (h), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $11 for the base rate and $1.30 per mile when provided by a nonemergency medical transportation provider;

(4) $13 for the base rate and $1.30 per mile for assisted transport;

(5) $18 for the base rate and $1.55 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

(n) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (m), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (m), clauses (1) to (7).

(o) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (m) and (n), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(q) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(r) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (m) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 21. Minnesota Statutes 2020, section 256B.0625, subdivision 17a, is amended to read:

Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers ambulance services. Providers shall bill ambulance services according to Medicare criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective for services rendered on or after July 1, 2001, medical assistance payments for ambulance services shall be paid at the Medicare reimbursement rate or at the medical assistance payment rate in effect on July 1, 2000, whichever is greater.

(b) Effective for services provided on or after July 1, 2016, medical assistance payment rates for ambulance services identified in this paragraph are increased by five percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2017, shall be increased to reflect this rate increase. The increased rate described in this paragraph applies to ambulance service providers whose base of operations as defined in section 144E.10 is located:

(1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

(2) within a municipality with a population of less than 1,000.

(c) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraphs (a) and (b) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 22. Minnesota Statutes 2020, section 256B.0625, subdivision 18h, is amended to read:

Subd. 18h. **Nonemergency medical transportation provisions related to managed care.** (a) The following nonemergency medical transportation subdivisions apply to managed care plans and county-based purchasing plans:

(1) subdivision 17, paragraphs (a), (b), (i), and (n);

(2) subdivision 18; and

(3) subdivision 18a.

(b) A nonemergency medical transportation provider must comply with the operating standards for special transportation service specified in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements in this paragraph.

(c) Managed care and county-based purchasing plans must provide a fuel adjustment for nonemergency medical transportation payment rates when the price of gasoline exceeds $3.00 per gallon.

Sec. 23. Minnesota Statutes 2020, section 256B.0625, subdivision 22, is amended to read:

Subd. 22. **Hospice care.** Medical assistance covers hospice care services under Public Law 99-272, section 9505, to the extent authorized by rule, except that a recipient age 21 or under who elects to receive hospice services does not waive coverage for services that are related to the treatment of the condition for which a diagnosis of terminal illness has been made. Hospice respite and end-of-life care under subdivision 22a are not hospice care services under this subdivision.

Sec. 24. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 22a. **Residential hospice facility; hospice respite and end-of-life care for children.** (a) Medical assistance covers hospice respite and end-of-life care if the care is for recipients age 21 or under who elect to receive hospice care delivered in a facility that is licensed under sections 144A.75 to 144A.755 and that is a residential hospice facility under section 144A.75, subdivision 13, paragraph (a). Hospice care services under subdivision 22 are not hospice respite or end-of-life care under this subdivision.

(b) The payment rates for coverage under this subdivision must be 100 percent of the Medicare rate for continuous home care hospice services as published in the Centers for Medicare and Medicaid Services annual final rule updating payments and policies for hospice care. Payment for hospice respite and end-of-life care under this subdivision must be made from state funds, though the commissioner shall seek to obtain federal financial participation for the payments. Payment for hospice respite and end-of-life care must be paid to the residential hospice facility and are not included in any limits or cap amount applicable to hospice services payments to the elected hospice services provider.

(c) Certification of the residential hospice facility by the federal Medicare program must not be a requirement of medical assistance payment for hospice respite and end-of-life care under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 25. Minnesota Statutes 2020, section 256B.0625, subdivision 28b, is amended to read:

Subd. 28b. **Doula services.** Medical assistance covers doula services provided by a certified doula as defined in section 148.995, subdivision 2, of the mother's choice. For purposes of this section, "doula services" means childbirth education and support services, including emotional and physical support provided during pregnancy, labor, birth, and postpartum. The commissioner shall enroll doula agencies and individual treating doulas in order to provide direct reimbursement.

EFFECTIVE DATE. This section is effective January 1, 2024, subject to federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 26. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center (FQHC) that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. An FQHC that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, an FQHC shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. FQHCs that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not FQHCs or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

(g) Effective for services provided on or after January 1, 2021, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner, according to an annual election by the FQHC or rural health clinic, under the current prospective payment system described in paragraph (f) or the alternative payment methodology described in paragraph (l).

(h) For purposes of this section, "nonprofit community clinic" is a clinic that:

(1) has nonprofit status as specified in chapter 317A;

(2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

(3) is established to provide health services to low-income population groups, uninsured, high-risk and special needs populations, underserved and other special needs populations;

(4) employs professional staff at least one-half of which are familiar with the cultural background of their clients;

(5) charges for services on a sliding fee scale designed to provide assistance to low-income clients based on current poverty income guidelines and family size; and

(6) does not restrict access or services because of a client's financial limitations or public assistance status and provides no-cost care as needed.

(i) Effective for services provided on or after January 1, 2015, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner. the commissioner shall determine the most feasible method for paying claims from the following options:

(1) FQHCs and rural health clinics submit claims directly to the commissioner for payment, and the commissioner provides claims information for recipients enrolled in a managed care or county-based purchasing plan to the plan, on a regular basis; or

(2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed care or county-based purchasing plan to the plan, and those claims are submitted by the plan to the commissioner for payment to the clinic.

(j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics, and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care plan or county-based purchasing plan claims for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

(k) The commissioner shall seek a federal waiver, authorized under section 1115 of the Social Security Act, to obtain federal financial participation at the 100 percent federal matching percentage available to facilities of the Indian Health Service or tribal organization in accordance with section 1905(b) of the Social Security Act for expenditures made to organizations dually certified under Title V of the Indian Health Care Improvement Act, Public Law 94-437, and as a federally qualified health center under paragraph (a) that provides services to American Indian and Alaskan Native individuals eligible for services under this subdivision.

(l) All claims for payment of clinic services provided by FQHCs and rural health clinics, that have elected to be paid under this paragraph, shall be paid by the commissioner according to the following requirements:

(1) the commissioner shall establish a single medical and single dental organization encounter rate for each FQHC and rural health clinic when applicable;

(2) each FQHC and rural health clinic is eligible for same day reimbursement of one medical and one dental organization encounter rate if eligible medical and dental visits are provided on the same day;

(3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance with current applicable Medicare cost principles, their allowable costs, including direct patient care costs and patient-related support services. Nonallowable costs include, but are not limited to:

(i) general social services and administrative costs;

(ii) retail pharmacy;

(iii) patient incentives, food, housing assistance, and utility assistance;

(iv) external lab and x-ray;

(v) navigation services;

(vi) health care taxes;

(vii) advertising, public relations, and marketing;

(viii) office entertainment costs, food, alcohol, and gifts;

(ix) contributions and donations;

(x) bad debts or losses on awards or contracts;

(xi) fines, penalties, damages, or other settlements;

(xii) fund-raising, investment management, and associated administrative costs;

(xiii) research and associated administrative costs;

(xiv) nonpaid workers;

(xv) lobbying;

(xvi) scholarships and student aid; and

(xvii) nonmedical assistance covered services;

(4) the commissioner shall review the list of nonallowable costs in the years between the rebasing process established in clause (5), in consultation with the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall publish the list and any updates in the Minnesota health care programs provider manual;

(5) the initial applicable base year organization encounter rates for FQHCs and rural health clinics shall be computed for services delivered on or after January 1, 2021, and:

(i) must be determined using each FQHC's and rural health clinic's Medicare cost reports from 2017 and 2018;

(ii) must be according to current applicable Medicare cost principles as applicable to FQHCs and rural health clinics without the application of productivity screens and upper payment limits or the Medicare prospective payment system FQHC aggregate mean upper payment limit;

(iii) must be subsequently rebased every two years thereafter using the Medicare cost reports that are three and four years prior to the rebasing year. Years in which organizational cost or claims volume is reduced or altered due to a pandemic, disease, or other public health emergency shall not be used as part of a base year when the base year includes more than one year. The commissioner may use the Medicare cost reports of a year unaffected by a pandemic, disease, or other public health emergency, or previous two consecutive years, inflated to the base year as established under item (iv);

(iv) must be inflated to the base year using the inflation factor described in clause (6); and

(v) the commissioner must provide for a 60-day appeals process under section 14.57;

(6) the commissioner shall annually inflate the applicable organization encounter rates for FQHCs and rural health clinics from the base year payment rate to the effective date by using the CMS FQHC Market Basket inflator established under United States Code, title 42, section 1395m(o), less productivity;

(7) FQHCs and rural health clinics that have elected the alternative payment methodology under this paragraph shall submit all necessary documentation required by the commissioner to compute the rebased organization encounter rates no later than six months following the date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid Services;

(8) the commissioner shall reimburse FQHCs and rural health clinics an additional amount relative to their medical and dental organization encounter rates that is attributable to the tax required to be paid according to section 295.52, if applicable;

(9) FQHCs and rural health clinics may submit change of scope requests to the commissioner if the change of scope would result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate currently received by the FQHC or rural health clinic;

(10) for FQHCs and rural health clinics seeking a change in scope with the commissioner under clause (9) that requires the approval of the scope change by the federal Health Resources Services Administration:

(i) FQHCs and rural health clinics shall submit the change of scope request, including the start date of services, to the commissioner within seven business days of submission of the scope change to the federal Health Resources Services Administration;

(ii) the commissioner shall establish the effective date of the payment change as the federal Health Resources Services Administration date of approval of the FQHC's or rural health clinic's scope change request, or the effective start date of services, whichever is later; and

(iii) within 45 days of one year after the effective date established in item (ii), the commissioner shall conduct a retroactive review to determine if the actual costs established under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate, and if this is the case, the commissioner shall revise the rate accordingly and shall adjust payments retrospectively to the effective date established in item (ii);

(11) for change of scope requests that do not require federal Health Resources Services Administration approval, the FQHC and rural health clinic shall submit the request to the commissioner before implementing the change, and the effective date of the change is the date the commissioner received the FQHC's or rural health clinic's request, or the effective start date of the service, whichever is later. The commissioner shall provide a response to the FQHC's or rural health clinic's request within 45 days of submission and provide a final approval within 120 days of submission. This timeline may be waived at the mutual agreement of the commissioner and the FQHC or rural health clinic if more information is needed to evaluate the request;

(12) the commissioner, when establishing organization encounter rates for new FQHCs and rural health clinics, shall consider the patient caseload of existing FQHCs and rural health clinics in a 60-mile radius for organizations established outside of the seven-county metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan area. If this information is not available, the commissioner may use Medicare cost reports or audited financial statements to establish base rates;

(13) the commissioner shall establish a quality measures workgroup that includes representatives from the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics, to evaluate clinical and nonclinical measures; and

(14) the commissioner shall not disallow or reduce costs that are related to an FQHC's or rural health clinic's participation in health care educational programs to the extent that the costs are not accounted for in the alternative payment methodology encounter rate established in this paragraph.

(m) Effective July 1, 2022, an enrolled Indian Health Service facility or a Tribal health center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC. No requirements that otherwise apply to FQHCs covered in this subdivision apply to Tribal FQHCs enrolled under this paragraph, except those necessary to comply with federal regulations. The commissioner shall establish an alternative payment method for Tribal FQHCs enrolled under this paragraph that uses the same method and rates applicable to a Tribal facility or health center that does not enroll as a Tribal FQHC.

Sec. 27. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 31, is amended to read:

Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical supplies and equipment. Separate payment outside of the facility's payment rate shall be made for wheelchairs and wheelchair accessories for recipients who are residents of intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions and limitations as coverage for recipients who do not reside in institutions. A wheelchair purchased outside of the facility's payment rate is the property of the recipient.

(b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies must enroll as a Medicare provider.

(c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment requirement if:

(1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic, or medical supply;

(2) the vendor serves ten or fewer medical assistance recipients per year;

(3) the commissioner finds that other vendors are not available to provide same or similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

(4) the vendor complies with all screening requirements in this chapter and Code of Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare and Medicaid Services approved national accreditation organization as complying with the Medicare program's supplier and quality standards and the vendor serves primarily pediatric patients.

(d) "Durable medical equipment" means a device or equipment that:

(1) can withstand repeated use;

(2) is generally not useful in the absence of an illness, injury, or disability; and

(3) is provided to correct or accommodate a physiological disorder or physical condition or is generally used primarily for a medical purpose.

(e) Electronic tablets may be considered durable medical equipment if the electronic tablet will be used as an augmentative and alternative communication system as defined under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must be locked in order to prevent use not related to communication.

(f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must be locked to prevent use not as an augmentative communication device, a recipient of waiver services may use an electronic tablet for a use not related to communication when the recipient has been authorized under the waiver to receive one or more additional applications that can be loaded onto the electronic tablet, such that allowing the additional use prevents the purchase of a separate electronic tablet with waiver funds.

(g) An order or prescription for medical supplies, equipment, or appliances must meet the requirements in Code of Federal Regulations, title 42, part 440.70.

(h) Allergen-reducing products provided according to subdivision 67, paragraph (c) or (d), shall be considered durable medical equipment.

(i) Seizure detection devices are covered as durable medical equipment under this subdivision if:

(1) the seizure detection device is medically appropriate based on the recipient's medical condition or status; and

(2) the recipient's health care provider has identified that a seizure detection device would:

(i) likely assist in reducing bodily harm to or death of the recipient as a result of the recipient experiencing a seizure; or

(ii) provide data to the health care provider necessary to appropriately diagnose or treat the recipient's health condition that causes the seizure activity.

(j) For purposes of paragraph (i), "seizure detection device" means a United States Food and Drug Administration approved monitoring device and any related service or subscription supporting the prescribed use of the device, including technology that:

(1) provides ongoing patient monitoring and alert services that detects nocturnal seizure activity and transmits notification of the seizure activity to a caregiver for appropriate medical response; or

(2) collects data of the seizure activity of the recipient that can be used by a health care provider to diagnose or appropriately treat a health care condition that causes the seizure activity.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 28. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 68. **Tobacco and nicotine cessation.** (a) Medical assistance covers tobacco and nicotine cessation services, drugs to treat tobacco and nicotine addiction or dependence, and drugs to help individuals discontinue use of tobacco and nicotine products. Medical assistance must cover services and drugs as provided in this subdivision consistent with evidence-based or evidence-informed best practices.

(b) Medical assistance must cover in-person individual and group tobacco and nicotine cessation education and counseling services if provided by a health care practitioner whose scope of practice encompasses tobacco and nicotine cessation education and counseling. Service providers include but are not limited to the following:

(1) mental health practitioners under section 245.462, subdivision 17;

(2) mental health professionals under section 245.462, subdivision 18;

(3) mental health certified peer specialists under section 256B.0615;

(4) alcohol and drug counselors licensed under chapter 148F;

(5) recovery peers as defined in section 245F.02, subdivision 21;

(6) certified tobacco treatment specialists;

(7) community health workers;

(8) physicians;

(9) physician assistants;

(10) advanced practice registered nurses; or

(11) other licensed or nonlicensed professionals or paraprofessionals with training in providing tobacco and nicotine cessation education and counseling services.

(c) Medical assistance covers telephone cessation counseling services provided through a quitline. Notwithstanding subdivision 3b, quitline services may be provided through audio-only communications. The commissioner may use volume purchasing for quitline services consistent with section 256B.04, subdivision 14.

(d) Medical assistance must cover all prescription and over-the-counter pharmacotherapy drugs approved by the United States Food and Drug Administration for cessation of tobacco and nicotine use or treatment of tobacco and nicotine dependence, and that are subject to a Medicaid drug rebate agreement.

(e) Services covered under this subdivision may be provided by telemedicine.

(f) The commissioner must not:

(1) restrict or limit the type, duration, or frequency of tobacco and nicotine cessation services;

(2) prohibit the simultaneous use of multiple cessation services, including but not limited to simultaneous use of counseling and drugs;

(3) require counseling prior to receiving drugs or as a condition of receiving drugs;

(4) limit pharmacotherapy drug dosage amounts for a dosing regimen for treatment of a medically accepted indication, as defined in United States Code, title 42, section 1396r-8(k)(6); limit dosing frequency; or impose duration limits;

(5) prohibit simultaneous use of multiple drugs, including prescription and over-the-counter drugs;

(6) require or authorize step therapy; or

(7) require or utilize prior authorization or require a co-payment or deductible for any tobacco and nicotine cessation services and drugs covered under this subdivision.

(g) The commissioner must require all participating entities under contract with the commissioner to comply with this subdivision when providing coverage, services, or care management for medical assistance and MinnesotaCare enrollees. For purposes of this subdivision, "participating entity" means any of the following:

(1) a health carrier as defined in section 62A.011, subdivision 2;

(2) a county-based purchasing plan established under section 256B.692;

(3) an accountable care organization or other entity participating as an integrated health partnership under section 256B.0755;

(4) an entity operating a county integrated health care delivery network pilot project authorized under section 256B.0756;

(5) a network of health care providers established to offer services under medical assistance or MinnesotaCare; or

(6) any other entity that has a contract with the commissioner to cover, provide, or manage health care services provided to medical assistance or MinnesotaCare enrollees on a capitated or risk-based payment arrangement or under a reimbursement methodology with substantial financial incentives to reduce the total cost of health care for a population of patients that is enrolled with or assigned or attributed to the entity.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 29. Minnesota Statutes 2020, section 256B.0631, as amended by Laws 2021, First Special Session chapter 7, article 1, section 17, is amended to read:

256B.0631 MEDICAL ASSISTANCE CO-PAYMENTS.

Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following cost-sharing for all recipients, effective for services provided on or after September 1, 2011, through December 31, 2022:

(1) $3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) $3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to $20 upon federal approval;

(3) $3 per brand-name drug prescription, $1 per generic drug prescription, and $1 per prescription for a brand-name multisource drug listed in preferred status on the preferred drug list, subject to a $12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

(4) a family deductible equal to $2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next higher five-cent increment; and

(5) total monthly cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on cost-sharing. This paragraph does not apply to premiums charged to individuals described under section 256B.057, subdivision 9.

(b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.

(c) Notwithstanding paragraph (b), the commissioner, through the contracting process under sections 256B.69 and 256B.692, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (4). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

(d) Notwithstanding paragraph (b), the commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waivered service providers to assume responsibility for payment.

(e) Notwithstanding paragraph (b), the commissioner, through the contracting process under section 256B.0756 shall allow the pilot program in Hennepin County to waive co-payments. The value of the co-payments shall not be included in the capitation payment amount to the integrated health care delivery networks under the pilot program.

(f) Paragraphs (a) to (e) apply only for services provided through December 31, 2022. Effective for services provided on or after January 1, 2023, the medical assistance program shall not require deductibles, co-payments, coinsurance, or any other form of enrollee cost-sharing.

Subd. 2. **Exceptions.** Co-payments and deductibles shall be subject, through December 31, 2022, to the following exceptions:

(1) children under the age of 21;

(2) pregnant women for services that relate to the pregnancy or any other medical condition that may complicate the pregnancy;

(3) recipients expected to reside for at least 30 days in a hospital, nursing home, or intermediate care facility for the developmentally disabled;

(4) recipients receiving hospice care;

(5) 100 percent federally funded services provided by an Indian health service;

(6) emergency services;

(7) family planning services;

(8) services that are paid by Medicare, resulting in the medical assistance program paying for the coinsurance and deductible;

(9) co-payments that exceed one per day per provider for nonpreventive visits, eyeglasses, and nonemergency visits to a hospital-based emergency room;

(10) services, fee-for-service payments subject to volume purchase through competitive bidding;

(11) American Indians who meet the requirements in Code of Federal Regulations, title 42, sections 447.51 and 447.56;

(12) persons needing treatment for breast or cervical cancer as described under section 256B.057, subdivision 10; and

(13) services that currently have a rating of A or B from the United States Preventive Services Task Force (USPSTF), immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, and preventive services and screenings provided to women as described in Code of Federal Regulations, title 45, section 147.130.

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment or deductible, except that reimbursements shall not be reduced:

(1) once a recipient has reached the $12 per month maximum for prescription drug co-payments; or

(2) for a recipient who has met their monthly five percent cost-sharing limit.

(b) The provider collects the co-payment or deductible from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment or deductible.

(c) Medical assistance reimbursement to fee-for-service providers and payments to managed care plans shall not be increased as a result of the removal of co-payments or deductibles effective on or after January 1, 2009.

(d) Paragraphs (a) to (c) apply only for services provided through December 31, 2022.

Sec. 30. Minnesota Statutes 2021 Supplement, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan ~~shall~~ must include the following cost-sharing for all recipients, effective for services provided on or after September 1, 2011:

(1) $3 per nonpreventive visit, except as provided in paragraph (b) and except that a co-payment must not apply to tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68. For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) $3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to $20 upon federal approval;

(3) $3 per brand-name drug prescription, $1 per generic drug prescription, and $1 per prescription for a brand-name multisource drug listed in preferred status on the preferred drug list, subject to a $12 per month maximum for prescription drug co-payments. ~~No~~ Co-payments ~~shall~~ must not apply to antipsychotic drugs when used for the treatment of mental illness. Co-payments must not apply to drugs when used for tobacco and nicotine cessation;

(4) a family deductible equal to $2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next higher five-cent increment; and

(5) total monthly cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on cost-sharing. This paragraph does not apply to premiums charged to individuals described under section 256B.057, subdivision 9.

(b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.

(c) Notwithstanding paragraph (b), the commissioner, through the contracting process under sections 256B.69 and 256B.692, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (4). The value of the family deductible ~~shall~~ must not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans ~~shall~~ must certify annually to the commissioner the dollar value of the family deductible.

(d) Notwithstanding paragraph (b), the commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waivered service providers to assume responsibility for payment.

(e) Notwithstanding paragraph (b), the commissioner, through the contracting process under section 256B.0756 shall allow the pilot program in Hennepin County to waive co-payments. The value of the co-payments ~~shall~~ must not be included in the capitation payment amount to the integrated health care delivery networks under the pilot program.

Sec. 31. **[256B.161] CLIENT ERROR OVERPAYMENT.**

Subdivision 1. **Scope.** (a) Subject to federal law and regulation, when a local agency or the Department of Human Services determines a person under section 256.98, subdivision 4, is liable for recovery of medical assistance incorrectly paid as a result of client error or when a recipient or former recipient receives medical assistance while an appeal is pending pursuant to section 256.045, subdivision 10, and the recipient or former recipient is later determined to have been ineligible for the medical assistance received or for less medical assistance than was received during the pendency of the appeal, the local agency or the Department of Human Services must:

(1) determine the eligibility months during which medical assistance was incorrectly paid;

(2) redetermine eligibility for the incorrectly paid months using department policies and procedures that were in effect during each eligibility month that was incorrectly paid; and

(3) assess an overpayment against persons liable for recovery under section 256.98, subdivision 4, for the amount of incorrectly paid medical assistance pursuant to section 256.98, subdivision 3.

(b) Notwithstanding section 256.98, subdivision 4, medical assistance incorrectly paid to a recipient as a result of client error when the recipient is under 21 years of age is not recoverable from the recipient or recipient's estate. This section does not prohibit the state agency from:

(1) receiving payment from a trust pursuant to United States Code, title 42, section 1396p(d)(4)(A) or (C), for medical assistance paid on behalf of the trust beneficiary for services received at any age; or

(2) claiming against the designated beneficiary of an Achieving a Better Life Experience (ABLE) account or the ABLE account itself pursuant to Code of Federal Regulations, title 26, section 1.529A-2(o), for the amount of the total medical assistance paid for the designated beneficiary at any age after establishment of the ABLE account.

Subd. 2. **Recovering client error overpayment.** (a) The local agency or the Department of Human Services must not attempt recovery of the overpayment amount pursuant to chapter 270A or section 256.0471 when a person liable for a client error overpayment under section 256.98, subdivision 4, voluntarily repays the overpayment amount or establishes a payment plan in writing with the local agency or the Department of Human Services to repay the overpayment amount within 90 days after receiving the overpayment notice or after resolution of a fair hearing regarding the overpayment under section 256.045, whichever is later. When a liable person agrees to a payment plan in writing with the local agency or the Department of Human Services but has not repaid any amount six months after entering the agreement, the local agency or Department of Human Services must pursue recovery under paragraph (b).

(b) If the liable person does not voluntarily repay the overpayment amount or establish a repayment agreement under paragraph (a), the local agency or the Department of Human Services must attempt recovery of the overpayment amount pursuant to chapter 270A when the overpayment amount is eligible for recovery as a public assistance debt under chapter 270A. For any overpaid amount of solely state-funded medical assistance, the local agency or the Department of Human Services must attempt recovery pursuant to section 256.0471.

Subd. 3. **Writing off client error overpayment.** A local agency or the Department of Human Services must not attempt to recover a client error overpayment of less than $350, unless the overpayment is for medical assistance received pursuant to section 256.045, subdivision 10, during the pendency of an appeal or unless the recovery is from the recipient's estate or the estate of the recipient's surviving spouse. A local agency or the Department of Human Services may write off any remaining balance of a client error overpayment when the overpayment has not been repaid five years after the effective date of the overpayment and the local agency or the Department of Human Services determines it is no longer cost effective to attempt recovery of the remaining balance.

Sec. 32. Minnesota Statutes 2020, section 256B.69, subdivision 4, is amended to read:

Subd. 4. **Limitation of choice; opportunity to opt out.** (a) The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties, but shall provide all eligible individuals the opportunity to opt out of enrollment in managed care under this section. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6.

(b) The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice:

(1) persons eligible for medical assistance according to section 256B.055, subdivision 1;

(2) persons eligible for medical assistance due to blindness or disability as determined by the Social Security Administration or the state medical review team, unless:

(i) they are 65 years of age or older; or

(ii) they reside in Itasca County or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act;

(3) recipients who currently have private coverage through a health maintenance organization;

(4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense;

(5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e);

(6) children who are both determined to be severely emotionally disturbed and receiving case management services according to section 256B.0625, subdivision 20, except children who are eligible for and who decline enrollment in an approved preferred integrated network under section 245.4682;

(7) adults who are both determined to be seriously and persistently mentally ill and received case management services according to section 256B.0625, subdivision 20;

(8) persons eligible for medical assistance according to section 256B.057, subdivision 10;

(9) persons with access to cost-effective employer-sponsored private health insurance or persons enrolled in a non-Medicare individual health plan determined to be cost-effective according to section 256B.0625, subdivision 15; and

(10) persons who are absent from the state for more than 30 consecutive days but still deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision 1, paragraph (b).

Children under age 21 who are in foster placement may enroll in the project on an elective basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective basis. The commissioner may enroll recipients in the prepaid medical assistance program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending down excess income.

(c) The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state.

(d) The commissioner may require, subject to the opt-out provision under paragraph (a), those individuals to enroll in the prepaid medical assistance program who otherwise would have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

(e) Before limitation of choice is implemented, eligible individuals shall be notified and given the opportunity to opt out of managed care enrollment. After notification, those individuals who choose not to opt out shall be allowed to choose only among demonstration providers. The commissioner may assign an individual with private coverage through a health maintenance organization, to the same health maintenance organization for medical assistance coverage, if the health maintenance organization is under contract for medical assistance in the individual's county of residence. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

(f) An infant born to a woman who is eligible for and receiving medical assistance and who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to the month of birth in the same managed care plan as the mother once the child is enrolled in medical assistance unless the child is determined to be excluded from enrollment in a prepaid plan under this section.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 33. Minnesota Statutes 2020, section 256B.69, subdivision 5c, is amended to read:

Subd. 5c. **Medical education and research fund.** (a) The commissioner of human services shall transfer each year to the medical education and research fund established under section 62J.692, an amount specified in this subdivision. The commissioner shall calculate the following:

(1) an amount equal to the reduction in the prepaid medical assistance payments as specified in this clause. After January 1, 2002, the county medical assistance capitation base rate prior to plan specific adjustments is reduced 6.3 percent for Hennepin County, two percent for the remaining metropolitan counties, and 1.6 percent for nonmetropolitan Minnesota counties. Nursing facility and elderly waiver payments and demonstration project payments operating under subdivision 23 are excluded from this reduction. The amount calculated under this clause shall not be adjusted for periods already paid due to subsequent changes to the capitation payments;

(2) beginning July 1, 2003, $4,314,000 from the capitation rates paid under this section;

(3) beginning July 1, 2002, an additional $12,700,000 from the capitation rates paid under this section; and

(4) beginning July 1, 2003, an additional $4,700,000 from the capitation rates paid under this section.

(b) This subdivision shall be effective upon approval of a federal waiver which allows federal financial participation in the medical education and research fund. The amount specified under paragraph (a), clauses (1) to (4), shall not exceed the total amount transferred for fiscal year 2009. Any excess shall first reduce the amounts specified under paragraph (a), clauses (2) to (4). Any excess following this reduction shall proportionally reduce the amount specified under paragraph (a), clause (1).

(c) Beginning September 1, 2011, of the amount in paragraph (a), the commissioner shall transfer $21,714,000 each fiscal year to the medical education and research fund.

(d) Beginning September 1, 2011, of the amount in paragraph (a), following the transfer under paragraph (c), the commissioner shall transfer to the medical education research fund ~~$23,936,000 in fiscal years 2012 and 2013 and~~ $49,552,000 in fiscal year 2014 and thereafter.

(e) If the federal waiver described in paragraph (b) is not renewed, the transfer described in paragraph (c) and corresponding payments under section 62J.692, subdivision 7, are terminated effective the first month in which the waiver is no longer in effect, and the state share of the amount described in paragraph (d) must be transferred to the medical education and research fund and distributed according to the provisions of section 62J.692, subdivision 4a.

Sec. 34. Minnesota Statutes 2020, section 256B.69, subdivision 28, is amended to read:

Subd. 28. **Medicare special needs plans; medical assistance basic health care.** (a) The commissioner may contract with demonstration providers and current or former sponsors of qualified Medicare-approved special needs plans, to provide medical assistance basic health care services to persons with disabilities, including those with developmental disabilities. Basic health care services include:

(1) those services covered by the medical assistance state plan except for ICF/DD services, home and community-based waiver services, case management for persons with developmental disabilities under section 256B.0625, subdivision 20a, and personal care and certain home care services defined by the commissioner in consultation with the stakeholder group established under paragraph (d); and

(2) basic health care services may also include risk for up to 100 days of nursing facility services for persons who reside in a noninstitutional setting and home health services related to rehabilitation as defined by the commissioner after consultation with the stakeholder group.

The commissioner may exclude other medical assistance services from the basic health care benefit set. Enrollees in these plans can access any excluded services on the same basis as other medical assistance recipients who have not enrolled.

(b) The commissioner may contract with demonstration providers and current and former sponsors of qualified Medicare special needs plans, to provide basic health care services under medical assistance to persons who are dually eligible for both Medicare and Medicaid and those Social Security beneficiaries eligible for Medicaid but in the waiting period for Medicare. The commissioner shall consult with the stakeholder group under paragraph (d) in developing program specifications for these services. Payment for Medicaid services provided under this subdivision for the months of May and June will be made no earlier than July 1 of the same calendar year.

(c) ~~Notwithstanding subdivision 4, beginning January 1, 2012,~~ The commissioner shall enroll persons with disabilities in managed care under this section, unless the individual chooses to opt out of enrollment. The commissioner shall establish enrollment and opt out procedures consistent with applicable enrollment procedures under this section.

(d) The commissioner shall establish a state-level stakeholder group to provide advice on managed care programs for persons with disabilities, including both MnDHO and contracts with special needs plans that provide basic health care services as described in paragraphs (a) and (b). The stakeholder group shall provide advice on program expansions under this subdivision and subdivision 23, including:

(1) implementation efforts;

(2) consumer protections; and

(3) program specifications such as quality assurance measures, data collection and reporting, and evaluation of costs, quality, and results.

(e) Each plan under contract to provide medical assistance basic health care services shall establish a local or regional stakeholder group, including representatives of the counties covered by the plan, members, consumer advocates, and providers, for advice on issues that arise in the local or regional area.

(f) The commissioner is prohibited from providing the names of potential enrollees to health plans for marketing purposes. The commissioner shall mail no more than two sets of marketing materials per contract year to potential enrollees on behalf of health plans, at the health plan's request. The marketing materials shall be mailed by the commissioner within 30 days of receipt of these materials from the health plan. The health plans shall cover any costs incurred by the commissioner for mailing marketing materials.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 35. Minnesota Statutes 2020, section 256B.69, subdivision 36, is amended to read:

Subd. 36. **Enrollee support system.** (a) The commissioner shall establish an enrollee support system that provides support to an enrollee before and during enrollment in a managed care plan.

(b) The enrollee support system must:

(1) provide access to counseling for each potential enrollee on choosing a managed care plan or opting out of managed care;

(2) assist an enrollee in understanding enrollment in a managed care plan;

(3) provide an access point for complaints regarding enrollment, covered services, and other related matters;

(4) provide information on an enrollee's grievance and appeal rights within the managed care organization and the state's fair hearing process, including an enrollee's rights and responsibilities; and

(5) provide assistance to an enrollee, upon request, in navigating the grievance and appeals process within the managed care organization and in appealing adverse benefit determinations made by the managed care organization to the state's fair hearing process after the managed care organization's internal appeals process has been exhausted. Assistance does not include providing representation to an enrollee at the state's fair hearing, but may include a referral to appropriate legal representation sources.

(c) Outreach to enrollees through the support system must be accessible to an enrollee through multiple formats, including telephone, Internet, in-person, and, if requested, through auxiliary aids and services.

(d) The commissioner may designate enrollment brokers to assist enrollees on selecting a managed care organization and providing necessary enrollment information. For purposes of this subdivision, "enrollment broker" means an individual or entity that performs choice counseling or enrollment activities in accordance with Code of Federal Regulations, part 42, section 438.810, or both.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 36. Minnesota Statutes 2020, section 256B.692, subdivision 1, is amended to read:

Subdivision 1. **In general.** County boards or groups of county boards may elect to purchase or provide health care services on behalf of persons eligible for medical assistance who would otherwise be required to or may elect to participate in the prepaid medical assistance program according to section 256B.69, subject to the opt-out provision of section 256B.69, subdivision 4, paragraph (a). Counties that elect to purchase or provide health care under this section must provide all services included in prepaid managed care programs according to section 256B.69, subdivisions 1 to 22. County-based purchasing under this section is governed by section 256B.69, unless otherwise provided for under this section.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 37. Minnesota Statutes 2020, section 256B.6925, subdivision 1, is amended to read:

Subdivision 1. **Information provided by commissioner.** The commissioner shall provide to each potential enrollee the following information:

(1) basic features of receiving services through managed care;

(2) which individuals are excluded from managed care enrollment, subject to ~~mandatory managed care enrollment~~ the opt-out provision of section 256B.69, subdivision 4, paragraph (a), or who may choose to enroll voluntarily;

(3) ~~for mandatory and voluntary enrollment,~~ the length of the enrollment period and information about an enrollee's right to disenroll in accordance with Code of Federal Regulations, part 42, section 438.56;

(4) the service area covered by each managed care organization;

(5) covered services, including services provided by the managed care organization and services provided by the commissioner;

(6) the provider directory and drug formulary for each managed care organization;

(7) cost-sharing requirements;

(8) requirements for adequate access to services, including provider network adequacy standards;

(9) a managed care organization's responsibility for coordination of enrollee care; and

(10) quality and performance indicators, including enrollee satisfaction for each managed care organization, if available.

Sec. 38. Minnesota Statutes 2020, section 256B.6925, subdivision 1, is amended to read:

Subdivision 1. **Information provided by commissioner.** The commissioner shall provide to each potential enrollee the following information:

(1) basic features of receiving services through managed care;

(2) which individuals are excluded from managed care enrollment, subject to mandatory managed care enrollment, or who may choose to enroll voluntarily;

(3) for mandatory and voluntary enrollment, the length of the enrollment period and information about an enrollee's right to disenroll in accordance with Code of Federal Regulations, part 42, section 438.56;

(4) the service area covered by each managed care organization;

(5) covered services, including services provided by the managed care organization and services provided by the commissioner;

(6) the provider directory and drug formulary for each managed care organization;

~~(7) cost-sharing requirements;~~

~~(8)~~ (7) requirements for adequate access to services, including provider network adequacy standards;

~~(9)~~ (8) a managed care organization's responsibility for coordination of enrollee care; and

~~(10)~~ (9) quality and performance indicators, including enrollee satisfaction for each managed care organization, if available.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 39. Minnesota Statutes 2020, section 256B.6925, subdivision 2, is amended to read:

Subd. 2. **Information provided by managed care organization.** The commissioner shall ensure that managed care organizations provide to each enrollee the following information:

(1) an enrollee handbook within a reasonable time after receiving notice of the enrollee's enrollment. The handbook must, at a minimum, include information on benefits provided, how and where to access benefits, ~~cost-sharing requirements,~~ how transportation is provided, and other information as required by Code of Federal Regulations, part 42, section 438.10, paragraph (g);

(2) a provider directory for the following provider types: physicians, specialists, hospitals, pharmacies, behavioral health providers, and long-term supports and services providers, as appropriate. The directory must include the provider's name, group affiliation, street address, telephone number, website, specialty if applicable, whether the provider accepts new enrollees, the provider's cultural and linguistic capabilities as identified in Code of Federal Regulations, part 42, section 438.10, paragraph (h), and whether the provider's office accommodates people with disabilities;

(3) a drug formulary that includes both generic and name brand medications that are covered and each medication tier, if applicable;

(4) written notice of termination of a contracted provider. Within 15 calendar days after receipt or issuance of the termination notice, the managed care organization must make a good faith effort to provide notice to each enrollee who received primary care from, or was seen on a regular basis by, the terminated provider; and

(5) upon enrollee request, the managed care organization's physician incentive plan.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 40. Minnesota Statutes 2020, section 256B.6928, subdivision 3, is amended to read:

Subd. 3. **Rate development standards.** (a) In developing capitation rates, the commissioner shall:

(1) identify and develop base utilization and price data, including validated encounter data and audited financial reports received from the managed care organizations that demonstrate experience for the populations served by the managed care organizations, for the three most recent and complete years before the rating period;

(2) develop and apply reasonable trend factors, including cost and utilization, to base data that are developed from actual experience of the medical assistance population or a similar population according to generally accepted actuarial practices and principles;

(3) develop the nonbenefit component of the rate to account for reasonable expenses related to the managed care organization's administration; taxes; licensing and regulatory fees; contribution to reserves; risk margin; cost of capital and other operational costs associated with the managed care organization's provision of covered services to enrollees;

~~(4) consider the value of cost-sharing for rate development purposes, regardless of whether the managed care organization imposes the cost-sharing on the enrollee or the cost-sharing is collected by the provider;~~

~~(5)~~ (4) make appropriate and reasonable adjustments to account for changes to the base data, programmatic changes, changes to nonbenefit components, and any other adjustment necessary to establish actuarially sound rates. Each adjustment must reasonably support the development of an accurate base data set for purposes of rate setting, reflect the health status of the enrolled population, and be developed in accordance with generally accepted actuarial principles and practices;

~~(6)~~ (5) consider the managed care organization's past medical loss ratio in the development of the capitation rates and consider the projected medical loss ratio; and

~~(7)~~ (6) select a prospective or retrospective risk adjustment methodology that must be developed in a budget-neutral manner consistent with generally accepted actuarial principles and practices.

(b) The base data must be derived from the medical assistance population or, if data on the medical assistance population is not available, derived from a similar population and adjusted to make the utilization and price data comparable to the medical assistance population. Data must be in accordance with actuarial standards for data quality and an explanation of why that specific data is used must be provided in the rate certification. If the commissioner is unable to base the rates on data that are within the three most recent and complete years before the rating period, the commissioner may request an approval from the Centers for Medicare and Medicaid Services for an exception. The request must describe why an exception is necessary and describe the actions that the commissioner intends to take to comply with the request.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 41. Minnesota Statutes 2020, section 256B.76, subdivision 1, is amended to read:

Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Centers for Medicare and Medicaid Services' common procedural coding system codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," cesarean delivery and pharmacologic management provided to psychiatric patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases except that payment rates for home health agency services shall be the rates in effect on September 30, 1992.

(b) Effective for services rendered on or after January 1, 2000, payment rates for physician and professional services shall be increased by three percent over the rates in effect on December 31, 1999, except for home health agency and family planning agency services. The increases in this paragraph shall be implemented January 1, 2000, for managed care.

(c) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by five percent, except that for the period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical assistance and general assistance medical care programs, over the rates in effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other outpatient visits, preventive medicine visits and family planning visits billed by physicians, advanced practice nurses, or physician assistants in a family planning agency or in one of the following primary care practices: general practice, general internal medicine, general pediatrics, general geriatrics, and family medicine. This reduction and the reductions in paragraph (d) do not apply to federally qualified health centers, rural health centers, and Indian health services. Effective October 1, 2009, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(d) Effective for services rendered on or after July 1, 2010, payment rates for physician and professional services shall be reduced an additional seven percent over the five percent reduction in rates described in paragraph (c). This additional reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services provided on or after July 1, 2010. This additional reduction does not apply to physician services billed by a psychiatrist or an advanced practice nurse with a specialty in mental health. Effective October 1, 2010, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(e) Effective for services rendered on or after September 1, 2011, through June 30, 2013, payment rates for physician and professional services shall be reduced three percent from the rates in effect on August 31, 2011. This reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services.

(f) Effective for services rendered on or after September 1, 2014, payment rates for physician and professional services, including physical therapy, occupational therapy, speech pathology, and mental health services shall be increased by five percent from the rates in effect on August 31, 2014. In calculating this rate increase, the commissioner shall not include in the base rate for August 31, 2014, the rate increase provided under section 256B.76, subdivision 7. This increase does not apply to federally qualified health centers, rural health centers, and Indian health services. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(g) Effective for services rendered on or after July 1, 2015, payment rates for physical therapy, occupational therapy, and speech pathology and related services provided by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(h) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

(i) Medical assistance may reimburse for the cost incurred to pay the Department of Health for metabolic disorder testing of newborns who are medical assistance recipients when the sample is collected outside of an inpatient hospital setting or freestanding birth center setting because the newborn was born outside of a hospital or freestanding birth center or because it is not medically appropriate to collect the sample during the inpatient stay for the birth.

Sec. 42. Minnesota Statutes 2020, section 256L.03, subdivision 1a, is amended to read:

Subd. 1a. **Children; MinnesotaCare health care reform waiver.** Children are eligible for coverage of all services that are eligible for reimbursement under the medical assistance program according to chapter 256B, except special education services and that abortion services under MinnesotaCare shall be limited as provided under subdivision 1. ~~Children are exempt from the provisions of subdivision 5, regarding co-payments.~~ Children who are lawfully residing in the United States but who are not "qualified noncitizens" under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, Statutes at Large, volume 110, page 2105, are eligible for coverage of all services provided under the medical assistance program according to chapter 256B.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 43. Minnesota Statutes 2020, 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 shall 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, or after December 31, 2022.

(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) Paragraphs (a) to (c) apply only to services provided through December 31, 2022. Effective for services provided on or after January 1, 2023, the MinnesotaCare program shall not require deductibles, co-payments, coinsurance, or any other form of enrollee cost-sharing.

Sec. 44. Minnesota Statutes 2020, 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 ~~shall~~ 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 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.

Sec. 45. Minnesota Statutes 2020, section 256L.04, subdivision 1c, is amended to read:

Subd. 1c. **General requirements.** To be eligible for MinnesotaCare, a person must meet the eligibility requirements of this section. A person eligible for MinnesotaCare ~~shall~~ with an income less than or equal to 200 percent of the federal poverty guidelines must not be considered a qualified individual under section 1312 of the Affordable Care Act, and is not eligible for enrollment in a qualified health plan offered through MNsure under chapter 62V.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later, but only if the commissioner of human services certifies to the legislature that implementation of this section will not result in federal penalties to federal basic health program funding for MinnesotaCare enrollees with incomes not exceeding 200 percent of the federal poverty guidelines. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 46. Minnesota Statutes 2020, section 256L.04, subdivision 7a, is amended to read:

Subd. 7a. **Ineligibility.** Adults whose income is greater than the limits established under this section may not enroll in the MinnesotaCare program, except as provided in subdivision 15.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later, but only if the commissioner of human services certifies to the legislature that implementation of this section will not result in federal penalties to federal basic health program funding for MinnesotaCare enrollees with incomes not exceeding 200 percent of the federal poverty guidelines. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 47. Minnesota Statutes 2020, section 256L.04, subdivision 10, is amended to read:

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is limited to citizens or nationals of the United States and lawfully present noncitizens as defined in Code of Federal Regulations, title 8, section 103.12. Undocumented noncitizens, with the exception of children under age 19, are ineligible for MinnesotaCare. For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are lawfully present and ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 48. Minnesota Statutes 2020, section 256L.04, is amended by adding a subdivision to read:

Subd. 15. **Persons eligible for public option.** (a) Families and individuals with income above the maximum income eligibility limit specified in subdivision 1 or 7, who meet all other MinnesotaCare eligibility requirements, are eligible for MinnesotaCare. All other provisions of this chapter apply unless otherwise specified.

(b) Families and individuals may enroll in MinnesotaCare under this subdivision only during an annual open enrollment period or special enrollment period, as designated by MNsure in compliance with Code of Federal Regulations, title 45, parts 155.410 and 155.420.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later, but only if the commissioner of human services certifies to the legislature that implementation of this section will not result in federal penalties to federal basic health program funding for MinnesotaCare enrollees with incomes not

exceeding 200 percent of the federal poverty guidelines. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 49. Minnesota Statutes 2020, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines~~,~~ are no longer eligible for the program and ~~shall~~ must be disenrolled by the commissioner, unless the individuals continue MinnesotaCare enrollment through the public option under section 256L.04, subdivision 15. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month in which the commissioner sends advance notice according to Code of Federal Regulations, title 42, section 431.211, that indicates the income of a family or individual exceeds program income limits.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later, but only if the commissioner of human services certifies to the legislature that implementation of this section will not result in federal penalties to federal basic health program funding for MinnesotaCare enrollees with incomes not exceeding 200 percent of the federal poverty guidelines. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 50. Minnesota Statutes 2021 Supplement, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly individual or family income.

~~(b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums according to the premium scale specified in paragraph (d).~~

~~(c)~~ (b) Paragraph ~~(b)~~ (a) does not apply to~~:~~

~~(1)~~ children 20 years of age or younger~~; and~~.

~~(2) individuals with household incomes below 35 percent of the federal poverty guidelines.~~

~~(d) The following premium scale is established for each individual in the household who is 21 years of age or older and enrolled in MinnesotaCare:~~

~~Federal Poverty Guideline Greater than or Equal to~~	~~Less than~~	~~Individual Premium Amount~~
~~35%~~	~~55%~~	~~$4~~
~~55%~~	~~80%~~	~~$6~~
~~80%~~	~~90%~~	~~$8~~
~~90%~~	~~100%~~	~~$10~~
~~100%~~	~~110%~~	~~$12~~
~~110%~~	~~120%~~	~~$14~~
~~120%~~	~~130%~~	~~$15~~
~~130%~~	~~140%~~	~~$16~~
~~140%~~	~~150%~~	~~$25~~
~~150%~~	~~160%~~	~~$37~~
~~160%~~	~~170%~~	~~$44~~
~~170%~~	~~180%~~	~~$52~~
~~180%~~	~~190%~~	~~$61~~
~~190%~~	~~200%~~	~~$71~~
~~200%~~		~~$80~~

~~(e)~~ (c) Beginning January 1, ~~2021~~ 2023, the commissioner shall continue to charge premiums in accordance with the simplified premium scale established to comply with the American Rescue Plan Act of 2021, in effect from January 1, 2021, through December 31, 2022, for families and individuals eligible under section 256L.04, subdivisions 1 and 7. The commissioner shall adjust the premium scale ~~established under paragraph (d)~~ as needed to ensure that premiums do not exceed the amount that an individual would have been required to pay if the individual was enrolled in an applicable benchmark plan in accordance with the Code of Federal Regulations, title 42, section 600.505(a)(1).

(d) The commissioner shall establish a sliding premium scale for persons eligible through the buy-in option under section 256L.04, subdivision 15. Beginning January 1, 2025, persons eligible through the buy-in option shall pay premiums according to the premium scale established by the commissioner. Persons 20 years of age or younger are exempt from paying premiums.

EFFECTIVE DATE. This section is effective January 1, 2023, except that the sliding premium scale established under paragraph (d) is effective January 1, 2025, or upon federal approval, whichever is later, but only if the commissioner of human services certifies to the legislature that implementation of paragraph (d) will not result in federal penalties to federal basic health program funding for MinnesotaCare enrollees with incomes not exceeding 200 percent of the federal poverty guidelines. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 51. **[256L.181] CLIENT ERROR OVERPAYMENT.**

Subdivision 1. **Scope.** (a) Subject to federal law and regulation, when a local agency or the Department of Human Services determines a person under section 256.98, subdivision 4, is liable for recovery of medical assistance incorrectly paid as a result of client error or when a recipient or former recipient receives medical assistance while an appeal is pending pursuant to section 256.045, subdivision 10, and the recipient or former recipient is later determined to have been ineligible for the medical assistance received or for less medical assistance than was received during the pendency of the appeal, the local agency or the Department of Human Services must:

(1) determine the eligibility months during which medical assistance was incorrectly paid;

(2) redetermine eligibility for the incorrectly paid months using department policies and procedures that were in effect during each eligibility month that was incorrectly paid; and

(3) assess an overpayment against persons liable for recovery under section 256.98, subdivision 4, for the amount of incorrectly paid medical assistance pursuant to section 256.98, subdivision 3.

(b) Notwithstanding section 256.98, subdivision 4, medical assistance incorrectly paid to a recipient as a result of client error when the recipient is under 21 years of age is not recoverable from the recipient or recipient's estate. This section does not prohibit the state agency from:

(1) receiving payment from a trust pursuant to United States Code, title 42, section 1396p(d)(4)(A) or (C), for medical assistance paid on behalf of the trust beneficiary for services received at any age; or

(2) claiming against the designated beneficiary of an Achieving a Better Life Experience (ABLE) account or the ABLE account itself pursuant to Code of Federal Regulations, title 26, section 1.529A-2(o), for the amount of the total medical assistance paid for the designated beneficiary at any age after establishment of the ABLE account.

Subd. 2. **Recovering client error overpayment.** (a) The local agency or the Department of Human Services must not attempt recovery of the overpayment amount pursuant to chapter 270A or section 256.0471 when a person liable for a client error overpayment under section 256.98, subdivision 4, voluntarily repays the overpayment

amount or establishes a payment plan in writing with the local agency or the Department of Human Services to repay the overpayment amount within 90 days after receiving the overpayment notice or after resolution of a fair hearing regarding the overpayment under section 256.045, whichever is later. When a liable person agrees to a payment plan in writing with the local agency or the Department of Human Services but has not repaid any amount six months after entering the agreement, the local agency or Department of Human Services must pursue recovery under paragraph (b).

(b) If the liable person does not voluntarily repay the overpayment amount or establish a repayment agreement under paragraph (a), the local agency or the Department of Human Services must attempt recovery of the overpayment amount pursuant to chapter 270A when the overpayment amount is eligible for recovery as a public assistance debt under chapter 270A. For any overpaid amount of solely state-funded medical assistance, the local agency or the Department of Human Services must attempt recovery pursuant to section 256.0471.

Subd. 3. **Writing off client error overpayment.** A local agency or the Department of Human Services must not attempt to recover a client error overpayment of less than $350, unless the overpayment is for medical assistance received pursuant to section 256.045, subdivision 10, during the pendency of an appeal or unless the recovery is from the recipient's estate or the estate of the recipient's surviving spouse. A local agency or the Department of Human Services may write off any remaining balance of a client error overpayment when the overpayment has not been repaid five years after the effective date of the overpayment and the local agency or the Department of Human Services determines it is no longer cost effective to attempt recovery of the remaining balance.

Sec. 52. Laws 2015, chapter 71, article 14, section 2, subdivision 5, as amended by Laws 2015, First Special Session chapter 6, section 1, is amended to read:

Subd. 5. **Grant Programs**

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) **Support Services Grants**

	Appropriations by Fund	
General	13,133,000	8,715,000
Federal TANF	96,311,000	96,311,000

(b) **Basic Sliding Fee Child Care Assistance Grants** 48,439,000 51,559,000

Basic Sliding Fee Waiting List Allocation. Notwithstanding Minnesota Statutes, section 119B.03, $5,413,000 in fiscal year 2016 is to reduce the basic sliding fee program waiting list as follows:

(1) The calendar year 2016 allocation shall be increased to serve families on the waiting list. To receive funds appropriated for this purpose, a county must have:

(i) a waiting list in the most recent published waiting list month;

(ii) an average of at least ten families on the most recent six months of published waiting list; and

(iii) total expenditures in calendar year 2014 that met or exceeded 80 percent of the county's available final allocation.

(2) Funds shall be distributed proportionately based on the average of the most recent six months of published waiting lists to counties that meet the criteria in clause (1).

(3) Allocations in calendar years 2017 and beyond shall be calculated using the allocation formula in Minnesota Statutes, section 119B.03.

(4) The guaranteed floor for calendar year 2017 shall be based on the revised calendar year 2016 allocation.

Base Level Adjustment. The general fund base is increased by $810,000 in fiscal year 2018 and increased by $821,000 in fiscal year 2019.

(c) **Child Care Development Grants**	1,737,000	1,737,000
(d) **Child Support Enforcement Grants**	50,000	50,000

(e) **Children's Services Grants**

Appropriations by Fund		
General	39,015,000	38,665,000
Federal TANF	140,000	140,000

Safe Place for Newborns. $350,000 from the general fund in fiscal year 2016 is to distribute information on the Safe Place for Newborns law in Minnesota to increase public awareness of the law. This is a onetime appropriation.

Child Protection. $23,350,000 in fiscal year 2016 and $23,350,000 in fiscal year 2017 are to address child protection staffing and services under Minnesota Statutes, section 256M.41. $1,650,000 in fiscal year 2016 and $1,650,000 in fiscal year 2017 are for child protection grants to address child welfare disparities under Minnesota Statutes, section 256E.28.

Title IV-E Adoption Assistance. Additional federal reimbursement to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for title IV-E adoption assistance is appropriated to the commissioner for postadoption services, including a parent-to-parent support network.

Adoption Assistance Incentive Grants. Federal funds available during fiscal years 2016 and 2017 for adoption incentive grants are appropriated to the commissioner for postadoption services, including a parent-to-parent support network.

(f) **Children and Community Service Grants**	56,301,000	56,301,000
(g) **Children and Economic Support Grants**	26,778,000	26,966,000

Mobile Food Shelf Grants. (a) $1,000,000 in fiscal year 2016 and $1,000,000 in fiscal year 2017 are for a grant to Hunger Solutions. This is a onetime appropriation and is available until June 30, 2017.

(b) Hunger Solutions shall award grants of up to $75,000 on a competitive basis. Grant applications must include:

(1) the location of the project;

(2) a description of the mobile program, including size and scope;

(3) evidence regarding the unserved or underserved nature of the community in which the project is to be located;

(4) evidence of community support for the project;

(5) the total cost of the project;

(6) the amount of the grant request and how funds will be used;

(7) sources of funding or in-kind contributions for the project that will supplement any grant award;

(8) a commitment to mobile programs by the applicant and an ongoing commitment to maintain the mobile program; and

(9) any additional information requested by Hunger Solutions.

(c) Priority may be given to applicants who:

(1) serve underserved areas;

(2) create a new or expand an existing mobile program;

(3) serve areas where a high amount of need is identified;

(4) provide evidence of strong support for the project from citizens and other institutions in the community;

(5) leverage funding for the project from other private and public sources; and

(6) commit to maintaining the program on a multilayer basis.

Homeless Youth Act. At least $500,000 of the appropriation for the Homeless Youth Act must be awarded to providers in greater Minnesota, with at least 25 percent of this amount for new

applicant providers. The commissioner shall provide outreach and technical assistance to greater Minnesota providers and new providers to encourage responding to the request for proposals.

Stearns County Veterans Housing. $85,000 in fiscal year 2016 and $85,000 in fiscal year 2017 are for a grant to Stearns County to provide administrative funding in support of a service provider serving veterans in Stearns County. The administrative funding grant may be used to support group residential housing services, corrections-related services, veteran services, and other social services related to the service provider serving veterans in Stearns County.

Safe Harbor. $800,000 in fiscal year 2016 and $800,000 in fiscal year 2017 are from the general fund for emergency shelter and transitional and long-term housing beds for sexually exploited youth and youth at risk of sexual exploitation. Of this appropriation, $150,000 in fiscal year 2016 and $150,000 in fiscal year 2017 are from the general fund for statewide youth outreach workers connecting sexually exploited youth and youth at risk of sexual exploitation with shelter and services.

Minnesota Food Assistance Program. Unexpended funds for the Minnesota food assistance program for fiscal year 2016 do not cancel but are available for this purpose in fiscal year 2017.

Base Level Adjustment. The general fund base is decreased by $816,000 in fiscal year 2018 and is decreased by $606,000 in fiscal year 2019.

(h) **Health Care Grants**

Appropriations by Fund		
General	536,000	2,482,000
Health Care Access	3,341,000	3,465,000

Grants for Periodic Data Matching for Medical Assistance and MinnesotaCare. Of the general fund appropriation, $26,000 in fiscal year 2016 and $1,276,000 in fiscal year 2017 are for grants to counties for costs related to periodic data matching for medical assistance and MinnesotaCare recipients under Minnesota Statutes, section 256B.0561. The commissioner must distribute these grants to counties in proportion to each county's number of cases in the prior year in the affected programs.

Base Level Adjustment. The general fund base is ~~increased by $1,637,000 in fiscal year 2018 and increased by $1,229,000 in fiscal year 2019~~ maintained in fiscal years 2020 and 2021.

(i) **Other Long-Term Care Grants** 1,551,000 3,069,000

Transition Populations. $1,551,000 in fiscal year 2016 and $1,725,000 in fiscal year 2017 are for home and community-based services transition grants to assist in providing home and

community-based services and treatment for transition populations under Minnesota Statutes, section 256.478.

Base Level Adjustment. The general fund base is increased by $156,000 in fiscal year 2018 and by $581,000 in fiscal year 2019.

(j) **Aging and Adult Services Grants** 28,463,000 28,162,000

Dementia Grants. $750,000 in fiscal year 2016 and $750,000 in fiscal year 2017 are for the Minnesota Board on Aging for regional and local dementia grants authorized in Minnesota Statutes, section 256.975, subdivision 11.

(k) **Deaf and Hard-of-Hearing Grants** 2,225,000 2,375,000

Deaf, Deafblind, and Hard-of-Hearing Grants. $350,000 in fiscal year 2016 and $500,000 in fiscal year 2017 are for deaf and hard-of-hearing grants. The funds must be used to increase the number of deafblind Minnesotans receiving services under Minnesota Statutes, section 256C.261, and to provide linguistically and culturally appropriate mental health services to children who are deaf, deafblind, and hard-of-hearing. This is a onetime appropriation.

Base Level Adjustment. The general fund base is decreased by $500,000 in fiscal year 2018 and by $500,000 in fiscal year 2019.

(l) **Disabilities Grants** 20,820,000 20,858,000

State Quality Council. $573,000 in fiscal year 2016 and $600,000 in fiscal year 2017 are for the State Quality Council to provide technical assistance and monitoring of person-centered outcomes related to inclusive community living and employment. The funding must be used by the State Quality Council to assure a statewide plan for systems change in person-centered planning that will achieve desired outcomes including increased integrated employment and community living.

(m) **Adult Mental Health Grants**

Appropriations by Fund		
General	69,992,000	71,244,000
Health Care Access	1,575,000	2,473,000
Lottery Prize	1,733,000	1,733,000

Funding Usage. Up to 75 percent of a fiscal year's appropriation for adult mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

Culturally Specific Mental Health Services. $100,000 in fiscal year 2016 is for grants to nonprofit organizations to provide resources and referrals for culturally specific mental health services to Southeast Asian veterans born before 1965 who do not qualify for services available to veterans formally discharged from the United States armed forces.

Problem Gambling. $225,000 in fiscal year 2016 and $225,000 in fiscal year 2017 are from the lottery prize fund for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling.

Sustainability Grants. $2,125,000 in fiscal year 2016 and $2,125,000 in fiscal year 2017 are for sustainability grants under Minnesota Statutes, section 256B.0622, subdivision 11.

Beltrami County Mental Health Services Grant. $1,000,000 in fiscal year 2016 and $1,000,000 in fiscal year 2017 are from the general fund for a grant to Beltrami County to fund the planning and development of a comprehensive mental health services program under article 2, section 41, Comprehensive Mental Health Program in Beltrami County. This is a onetime appropriation.

Base Level Adjustment. The general fund base is increased by $723,000 in fiscal year 2018 and by $723,000 in fiscal year 2019. The health care access fund base is decreased by $1,723,000 in fiscal year 2018 and by $1,723,000 in fiscal year 2019.

(n) **Child Mental Health Grants**	23,386,000	24,313,000

Services and Supports for First Episode Psychosis. $177,000 in fiscal year 2017 is for grants under Minnesota Statutes, section 245.4889, to mental health providers to pilot evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis and for a public awareness campaign on the signs and symptoms of psychosis. The base for these grants is $236,000 in fiscal year 2018 and $301,000 in fiscal year 2019.

Adverse Childhood Experiences. The base for grants under Minnesota Statutes, section 245.4889, to children's mental health and family services collaboratives for adverse childhood experiences (ACEs) training grants and for an interactive Web site connection to support ACEs in Minnesota is $363,000 in fiscal year 2018 and $363,000 in fiscal year 2019.

Funding Usage. Up to 75 percent of a fiscal year's appropriation for child mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

Base Level Adjustment. The general fund base is increased by $422,000 in fiscal year 2018 and is increased by $487,000 in fiscal year 2019.

(o) **Chemical Dependency Treatment Support Grants** 1,561,000 1,561,000

Chemical Dependency Prevention. $150,000 in fiscal year 2016 and $150,000 in fiscal year 2017 are for grants to nonprofit organizations to provide chemical dependency prevention programs in secondary schools. When making grants, the commissioner must consider the expertise, prior experience, and outcomes achieved by applicants that have provided prevention programming in secondary education environments. An applicant for the grant funds must provide verification to the commissioner that the applicant has available and will contribute sufficient funds to match the grant given by the commissioner. This is a onetime appropriation.

Fetal Alcohol Syndrome Grants. $250,000 in fiscal year 2016 and $250,000 in fiscal year 2017 are for grants to be administered by the Minnesota Organization on Fetal Alcohol Syndrome to provide comprehensive, gender-specific services to pregnant and parenting women suspected of or known to use or abuse alcohol or other drugs. This appropriation is for grants to no fewer than three eligible recipients. Minnesota Organization on Fetal Alcohol Syndrome must report to the commissioner of human services annually by January 15 on the grants funded by this appropriation. The report must include measurable outcomes for the previous year, including the number of pregnant women served and the number of toxic-free babies born.

Base Level Adjustment. The general fund base is decreased by $150,000 in fiscal year 2018 and by $150,000 in fiscal year 2019.

Sec. 53. Laws 2020, First Special Session chapter 7, section 1, subdivision 1, as amended by Laws 2021, First Special Session chapter 7, article 2, section 71, is amended to read:

Subdivision 1. **Waivers and modifications; federal funding extension.** When the peacetime emergency declared by the governor in response to the COVID-19 outbreak expires, is terminated, or is rescinded by the proper authority, the following waivers and modifications to human services programs issued by the commissioner of human services pursuant to Executive Orders 20-11 and 20-12 that are required to comply with federal law may remain in effect for the time period set out in applicable federal law or for the time period set out in any applicable federally approved waiver or state plan amendment, whichever is later:

(1) CV15: allowing telephone or video visits for waiver programs;

(2) CV17: preserving health care coverage for Medical Assistance and MinnesotaCare as needed to comply with federal guidance from the Centers for Medicare and Medicaid Services, and until the enrollee's first renewal following the resumption of medical assistance and MinnesotaCare renewals after the end of the COVID-19 public health emergency declared by the United States Secretary of Health and Human Services;

(3) CV18: implementation of federal changes to the Supplemental Nutrition Assistance Program;

(4) CV20: eliminating cost-sharing for COVID-19 diagnosis and treatment;

(5) CV24: allowing telephone or video use for targeted case management visits;

(6) CV30: expanding telemedicine in health care, mental health, and substance use disorder settings;

(7) CV37: implementation of federal changes to the Supplemental Nutrition Assistance Program;

(8) CV39: implementation of federal changes to the Supplemental Nutrition Assistance Program;

(9) CV42: implementation of federal changes to the Supplemental Nutrition Assistance Program;

(10) CV43: expanding remote home and community-based waiver services;

(11) CV44: allowing remote delivery of adult day services;

(12) CV59: modifying eligibility period for the federally funded Refugee Cash Assistance Program;

(13) CV60: modifying eligibility period for the federally funded Refugee Social Services Program; and

(14) CV109: providing 15 percent increase for Minnesota Food Assistance Program and Minnesota Family Investment Program maximum food benefits.

Sec. 54. Laws 2021, First Special Session chapter 7, article 1, section 36, is amended to read:

Sec. 36. **RESPONSE TO COVID-19 PUBLIC HEALTH EMERGENCY.**

(a) Notwithstanding Minnesota Statutes, section 256B.057, subdivision 9, 256L.06, subdivision 3, or any other provision to the contrary, the commissioner shall not collect any unpaid premium for a coverage month ~~that occurred during~~ until the enrollee's first renewal after the resumption of medical assistance renewals following the end of the COVID-19 public health emergency declared by the United States Secretary of Health and Human Services.

(b) Notwithstanding any provision to the contrary, periodic data matching under Minnesota Statutes, section 256B.0561, subdivision 2, may be suspended for up to ~~six~~ 12 months following the ~~last day of~~ resumption of medical assistance and MinnesotaCare renewals after the end of the COVID-19 public health emergency declared by the United States Secretary of Health and Human Services.

(c) Notwithstanding any provision to the contrary, the requirement for the commissioner of human services to issue an annual report on periodic data matching under Minnesota Statutes, section 256B.0561, is suspended for one year following the last day of the COVID-19 public health emergency declared by the United States Secretary of Health and Human Services.

(d) The commissioner of human services shall take necessary actions to comply with federal guidance pertaining to the appropriate redetermination of medical assistance enrollee eligibility following the end of the COVID-19 public health emergency declared by the United States Secretary of Health and Human Services and may waive currently existing Minnesota statutes to the minimum level necessary to achieve federal compliance. All changes implemented must be reported to the chairs and ranking minority members of the legislative committees with jurisdiction over human services within 90 days.

Sec. 55. **DENTAL HOME PILOT PROJECT.**

Subdivision 1. **Establishment; requirements.** (a) The commissioner of human services shall establish a dental home pilot project to increase access of medical assistance and MinnesotaCare enrollees to dental care, improve patient experience, and improve oral health clinical outcomes, in a manner that sustains the financial viability of the dental workforce and broader dental care delivery and financing system. Dental homes must provide high-quality, patient-centered, comprehensive, and coordinated oral health services across clinical and community-based settings, including virtual oral health care.

(b) The design and operation of the dental home pilot project must be consistent with the recommendations made by the Dental Services Advisory Committee to the legislature under Laws 2021, First Special Session chapter 7, article 1, section 33.

(c) The commissioner shall establish baseline requirements and performance measures for dental homes participating in the pilot project. These baseline requirements and performance measures must address access and patient experience and oral health clinical outcomes.

Subd. 2. **Project design and timeline.** (a) The commissioner shall issue a preliminary project description and a request for information to obtain stakeholder feedback and input on project design issues, including but not limited to:

(1) the timeline for project implementation;

(2) the length of each project phase and the date for full project implementation;

(3) the number of providers to be selected for participation;

(4) grant amounts;

(5) criteria and procedures for any value-based payments;

(6) the extent to which pilot project requirements may vary with provider characteristics;

(7) procedures for data collection;

(8) the role of dental partners, such as dental professional organizations and educational institutions;

(9) provider support and education; and

(10) other topics identified by the commissioner.

(b) The commissioner shall consider the feedback and input obtained in paragraph (a) and shall develop and issue a request for proposals for participation in the pilot project.

(c) The pilot project must be implemented by July 1, 2023, and must include initial pilot testing and the collection and analysis of data on baseline requirements and performance measures to evaluate whether these requirements and measures are appropriate. Under this phase, the commissioner shall provide grants to individual providers and provider networks in addition to medical assistance and MinnesotaCare payments received for services provided.

(d) The pilot project may test and analyze value-based payments to providers to determine whether varying payments based on dental home performance measures is appropriate and effective.

(e) The commissioner shall ensure provider diversity in selecting project participants. In selecting providers, the commissioner shall consider: geographic distribution; provider size, type, and location; providers serving different priority populations; health equity issues; and provider accessibility for patients with varying levels and types of disability.

(f) In designing and implementing the pilot project, the commissioner shall regularly consult with project participants and other stakeholders, and as relevant shall continue to seek the input of participants and other stakeholders on the topics listed in paragraph (a).

Subd. 3. **Reporting.** (a) The commissioner, beginning February 15, 2023, and each February 15 thereafter for the duration of the demonstration project, shall report on the design, implementation, operation, and results of the demonstration project to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy.

(b) The commissioner, within six months from the date the pilot project ceases operation, shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy on the results of the demonstration project, and shall include in the report recommendations on whether the demonstration project, or specific features of the demonstration project, should be extended to all dental providers serving medical assistance and MinnesotaCare enrollees.

Sec. 56. **SMALL EMPLOYER PUBLIC OPTION.**

The commissioner of human services, in consultation with representatives of small employers, shall develop a small employer public option that allows employees of businesses with fewer than 50 employees to receive employer contributions toward MinnesotaCare. The commissioner shall determine whether the employer makes contributions to the commissioner directly or the employee makes contributions through a qualified small employer health reimbursement arrangement account or other arrangement. In determining the structure of the small employer public option, the commissioner shall consult with federal officials to determine which arrangement will result in the employer contributions being tax deductible to the employer and not being considered taxable income to the employee. The commissioner shall present recommendations for a small employer public option to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by December 15, 2023.

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

Sec. 57. **TRANSITION TO MINNESOTACARE PUBLIC OPTION.**

(a) The commissioner of human services shall continue to administer MinnesotaCare as a basic health program in accordance with Minnesota Statutes, section 256L.02, subdivision 5, and shall seek federal waivers, approvals, and law changes necessary to implement this act.

(b) The commissioner shall present an implementation plan for the MinnesotaCare public option under Minnesota Statutes, section 256L.04, subdivision 15, to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by December 15, 2023. The plan must include:

(1) recommendations for any changes to the MinnesotaCare public option necessary to continue federal basic health program funding or to receive other federal funding;

(2) recommendations for implementing any small employer option in a manner that would allow any employee payments toward premiums to be pretax;

(3) recommendations for ensuring sufficient provider participation in MinnesotaCare;

(4) estimates of state costs related to the MinnesotaCare public option;

(5) a description of the proposed premium scale for persons eligible through the public option, including an analysis of the extent to which the proposed premium scale:

(i) ensures affordable premiums for persons across the income spectrum enrolled under the public option; and

(ii) avoids premium cliffs for persons transitioning to and enrolled under the public option; and

(6) draft legislation that includes any additional policy and conforming changes necessary to implement the MinnesotaCare public option and the implementation plan recommendations.

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

Sec. 58. **REQUEST FOR FEDERAL APPROVAL.**

(a) The commissioner of human services shall seek any federal waivers, approvals, and law changes necessary to implement this act, including but not limited to those waivers, approvals, and law changes necessary to allow the state to:

(1) continue receiving federal basic health program payments for basic health program-eligible MinnesotaCare enrollees and to receive other federal funding for the MinnesotaCare public option;

(2) receive federal payments equal to the value of premium tax credits and cost-sharing reductions that MinnesotaCare enrollees with household incomes greater than 200 percent of the federal poverty guidelines would otherwise have received; and

(3) receive federal payments equal to the value of emergency medical assistance that would otherwise have been paid to the state for covered services provided to eligible enrollees.

(b) In implementing this section, the commissioner of human services shall consult with the commissioner of commerce and the Board of Directors of MNsure and may contract for technical and actuarial assistance.

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

Sec. 59. **DELIVERY REFORM ANALYSIS REPORT.**

(a) The commissioner of human services shall present to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance, by January 15, 2024, a report comparing service delivery and payment system models for delivering services to medical assistance enrollees for whom

income eligibility is determined using the modified adjusted gross income methodology under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (b), clause (1), and MinnesotaCare enrollees eligible under Minnesota Statutes, chapter 256L. The report must compare the current delivery model with at least two alternative models. The alternative models must include a state-based model in which the state holds the plan risk as the insurer and may contract with a third-party administrator for claims processing and plan administration. The alternative models may include but are not limited to:

(1) expanding the use of integrated health partnerships under Minnesota Statutes, section 256B.0755;

(2) delivering care under fee-for-service through a primary care case management system; and

(3) continuing to contract with managed care and county-based purchasing plans for some or all enrollees under modified contracts.

(b) The report must include:

(1) a description of how each model would address:

(i) racial and other inequities in the delivery of health care and health care outcomes;

(ii) geographic inequities in the delivery of health care;

(iii) the provision of incentives for preventive care and other best practices;

(iv) reimbursement of providers for high-quality, value-based care at levels sufficient to sustain or increase enrollee access to care; and

(v) transparency and simplicity for enrollees, health care providers, and policymakers;

(2) a comparison of the projected cost of each model; and

(3) an implementation timeline for each model that includes the earliest date by which each model could be implemented if authorized during the 2024 legislative session and a discussion of barriers to implementation.

Sec. 60. **RECOMMENDATIONS; OFFICE OF PATIENT PROTECTION.**

(a) The commissioners of human services, health, and commerce and the MNsure board shall submit to the health care affordability board and the chairs and ranking minority members of the legislative committees with primary jurisdiction over health and human services finance and policy and commerce by January 15, 2023, a report on the organization and duties of the Office of Patient Protection, to be established under Minnesota Statutes, section 62J.89, subdivision 4. The report must include recommendations on how the office shall:

(1) coordinate or consolidate within the office existing state agency patient protection activities, including but not limited to the activities of ombudsman offices and the MNsure board;

(2) enforce standards and procedures under Minnesota Statutes, chapter 62M, for utilization review organizations;

(3) work with private sector and state agency consumer assistance programs to assist consumers with questions or concerns relating to public programs and private insurance coverage;

(4) establish and implement procedures to assist consumers aggrieved by restrictions on patient choice, denials of services, and reductions in quality of care resulting from any final action by a payer or provider; and

(5) make health plan company quality of care and patient satisfaction information and other information collected by the office readily accessible to consumers on the board's website.

(b) The commissioners and the MNsure board shall consult with stakeholders as they develop the recommendations. The stakeholders consulted must include but are not limited to organizations and individuals representing: underserved communities; persons with disabilities; low-income Minnesotans; senior citizens; and public and private sector health plan enrollees, including persons who purchase coverage through MNsure, health plan companies, and public and private sector purchasers of health coverage.

(c) The commissioners and the MNsure board may contract with a third party to develop the report and recommendations.

Sec. 61. **REPEALER.**

Minnesota Statutes 2020, section 256B.063, is repealed.

EFFECTIVE DATE. This section is effective January 1, 2023.

ARTICLE 4
HEALTH CARE POLICY

Section 1. Minnesota Statutes 2020, section 62J.2930, subdivision 3, is amended to read:

Subd. 3. **Consumer information.** (a) The information clearinghouse or another entity designated by the commissioner shall provide consumer information to health plan company enrollees to:

(1) assist enrollees in understanding their rights;

(2) explain and assist in the use of all available complaint systems, including internal complaint systems within health carriers, community integrated service networks, and the Departments of Health and Commerce;

(3) provide information on coverage options in each region of the state;

(4) provide information on the availability of purchasing pools and enrollee subsidies; and

(5) help consumers use the health care system to obtain coverage.

(b) The information clearinghouse or other entity designated by the commissioner for the purposes of this subdivision shall not:

(1) provide legal services to consumers;

(2) represent a consumer or enrollee; or

(3) serve as an advocate for consumers in disputes with health plan companies.

(c) Nothing in this subdivision shall interfere with the ombudsman program established under section ~~256B.69, subdivision 20~~ 256B.6903, or other existing ombudsman programs.

Sec. 2. Minnesota Statutes 2020, section 256B.055, subdivision 2, is amended to read:

Subd. 2. **Subsidized foster children.** Medical assistance may be paid for a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, and for a child who is not eligible for Title IV-E of the Social Security Act but who is ~~determined eligible for~~ placed in foster care as determined by Minnesota Statutes or kinship assistance under chapter 256N.

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

Sec. 3. Minnesota Statutes 2020, section 256B.056, subdivision 3b, is amended to read:

Subd. 3b. **Treatment of trusts.** (a) It is the public policy of this state that individuals use all available resources to pay for the cost of long-term care services, as defined in section 256B.0595, before turning to Minnesota health care program funds, and that trust instruments should not be permitted to shield available resources of an individual or an individual's spouse from such use.

~~(a)~~ (b) A "medical assistance qualifying trust" is a revocable or irrevocable trust, or similar legal device, established on or before August 10, 1993, by a person or the person's spouse under the terms of which the person receives or could receive payments from the trust principal or income and the trustee has discretion in making payments to the person from the trust principal or income. Notwithstanding that definition, a medical assistance qualifying trust does not include: (1) a trust set up by will; (2) a trust set up before April 7, 1986, solely to benefit a person with a developmental disability living in an intermediate care facility for persons with developmental disabilities; or (3) a trust set up by a person with payments made by the Social Security Administration pursuant to the United States Supreme Court decision in Sullivan v. Zebley, 110 S. Ct.885 (1990). The maximum amount of payments that a trustee of a medical assistance qualifying trust may make to a person under the terms of the trust is considered to be available assets to the person, without regard to whether the trustee actually makes the maximum payments to the person and without regard to the purpose for which the medical assistance qualifying trust was established.

~~(b)~~ (c) Trusts established after August 10, 1993, are treated according to United States Code, title 42, section 1396p(d).

~~(c)~~ (d) For purposes of paragraph ~~(d)~~ (e), a pooled trust means a trust established under United States Code, title 42, section 1396p(d)(4)(C).

~~(d)~~ (e) A beneficiary's interest in a pooled trust is considered an available asset unless the trust provides that upon the death of the beneficiary or termination of the trust during the beneficiary's lifetime, whichever is sooner, the department receives any amount, up to the amount of medical assistance benefits paid on behalf of the beneficiary, remaining in the beneficiary's trust account after a deduction for reasonable administrative fees and expenses, and an additional remainder amount. The retained remainder amount of the subaccount must not exceed ten percent of the account value at the time of the beneficiary's death or termination of the trust, and must only be used for the benefit of disabled individuals who have a beneficiary interest in the pooled trust.

~~(e)~~ (f) Trusts may be established on or after December 12, 2016, by a person who has been determined to be disabled, according to United States Code, title 42, section 1396p(d)(4)(A), as amended by section 5007 of the 21st Century Cures Act, Public Law 114-255.

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

Sec. 4. Minnesota Statutes 2020, section 256B.056, subdivision 3c, is amended to read:

Subd. 3c. **Asset limitations for families and children.** (a) A household of two or more persons must not own more than $20,000 in total net assets, and a household of one person must not own more than $10,000 in total net assets. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance for families and children is the value of those assets excluded under the AFDC state plan as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, with the following exceptions:

(1) household goods and personal effects are not considered;

(2) capital and operating assets of a trade or business up to $200,000 are not considered;

(3) one motor vehicle is excluded for each person of legal driving age who is employed or seeking employment;

(4) assets designated as burial expenses are excluded to the same extent they are excluded by the Supplemental Security Income program;

(5) court-ordered settlements up to $10,000 are not considered;

(6) individual retirement accounts and funds are not considered;

(7) assets owned by children are not considered; and

(8) ~~effective July 1, 2009,~~ certain assets owned by American Indians are excluded as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

(b) ~~Beginning January 1, 2014, this subdivision~~ Paragraph (a) applies only to parents and caretaker relatives who qualify for medical assistance under subdivision 5.

(c) Eligibility for children under age 21 must be determined without regard to the asset limitations described in paragraphs (a) and (b) and subdivision 3.

Sec. 5. Minnesota Statutes 2020, section 256B.056, subdivision 11, is amended to read:

Subd. 11. **Treatment of annuities.** (a) Any person requesting medical assistance payment of long-term care services shall provide a complete description of any interest either the person or the person's spouse has in annuities on a form designated by the department. The form shall include a statement that the state becomes a preferred remainder beneficiary of annuities or similar financial instruments by virtue of the receipt of medical assistance payment of long-term care services. The person and the person's spouse shall furnish the agency responsible for determining eligibility with complete current copies of their annuities and related documents and complete the form designating the state as the preferred remainder beneficiary for each annuity in which the person or the person's spouse has an interest.

(b) The department shall provide notice to the issuer of the department's right under this section as a preferred remainder beneficiary under the annuity or similar financial instrument for medical assistance furnished to the person or the person's spouse, and provide notice of the issuer's responsibilities as provided in paragraph (c).

(c) An issuer of an annuity or similar financial instrument who receives notice of the state's right to be named a preferred remainder beneficiary as described in paragraph (b) shall provide confirmation to the requesting agency that the state has been made a preferred remainder beneficiary. The issuer shall also notify the county agency when a change in the amount of income or principal being withdrawn from the annuity or other similar financial instrument or a change in the state's preferred remainder beneficiary designation under the annuity or other similar financial instrument occurs. The county agency shall provide the issuer with the name, address, and telephone number of a unit within the department that the issuer can contact to comply with this paragraph.

(d) "Preferred remainder beneficiary" for purposes of this subdivision and sections 256B.0594 and 256B.0595 means the state is a remainder beneficiary in the first position in an amount equal to the amount of medical assistance paid on behalf of the institutionalized person, or is a remainder beneficiary in the second position if the institutionalized person designates and is survived by a remainder beneficiary who is (1) a spouse who does not reside in a medical institution, (2) a minor child, or (3) a child of any age who is blind or permanently and totally disabled as defined in the Supplemental Security Income program. Notwithstanding this paragraph, the state is the remainder beneficiary in the first position if the spouse or child disposes of the remainder for less than fair market value.

(e) For purposes of this subdivision, "institutionalized person" and "long-term care services" have the meanings given in section 256B.0595, subdivision 1, paragraph ~~(g)~~ (f).

(f) For purposes of this subdivision, "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with developmental disabilities, nursing facility, or inpatient hospital.

Sec. 6. Minnesota Statutes 2020, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. **Prohibited transfers.** (a) Effective for transfers made after August 10, 1993, an institutionalized person, an institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or institutionalized person's spouse, may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the Supplemental Security Income program, for the purpose of establishing or maintaining medical assistance eligibility. This applies to all transfers, including those made by a community spouse after the month in which the institutionalized spouse is determined eligible for medical assistance. For purposes of determining eligibility for long-term care services, any transfer of such assets within 36 months before or any time after an institutionalized person requests medical assistance payment of long-term care services, or 36 months before or any time after a medical assistance recipient becomes an institutionalized person, for less than fair market value may be considered. Any such transfer is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the institutionalized person is ineligible for long-term care services for the period of time determined under subdivision 2, unless the institutionalized person furnishes convincing evidence to establish that the transaction was exclusively for another purpose, or unless the transfer is permitted under subdivision 3 or 4. In the case of payments from a trust or portions of a trust that are considered transfers of assets under federal law, or in the case of any other disposal of assets made on or after February 8, 2006, any transfers made within 60 months before or any time after an institutionalized person requests medical assistance payment of long-term care services and within 60 months before or any time after a medical assistance recipient becomes an institutionalized person, may be considered.

(b) This section applies to transfers, for less than fair market value, of income or assets, including assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments or income to which the institutionalized person or the institutionalized person's spouse is entitled but does not receive due to action by the institutionalized person, the institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or the institutionalized person's spouse.

(c) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement ~~which~~ that was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

~~(d) This section applies to the portion of any asset or interest that an institutionalized person, an institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or the institutionalized person's spouse, transfers to any annuity that exceeds the value of the benefit likely to be returned to the institutionalized person or institutionalized person's spouse while alive, based on estimated life expectancy as determined according to the current actuarial tables published by the Office of the Chief Actuary of the Social Security Administration. The commissioner may adopt rules reducing life expectancies based on the need for long-term care. This section applies to an annuity purchased on or after March 1, 2002, that:~~

~~(1) is not purchased from an insurance company or financial institution that is subject to licensing or regulation by the Minnesota Department of Commerce or a similar regulatory agency of another state;~~

~~(2) does not pay out principal and interest in equal monthly installments; or~~

~~(3) does not begin payment at the earliest possible date after annuitization.~~

~~(e)~~ (d) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, by or on behalf of an institutionalized person who has applied for or is receiving long-term care services or the institutionalized person's spouse shall be treated as the disposal of an asset for less than fair market value unless the department is named a preferred remainder beneficiary as described in section 256B.056, subdivision 11. Any subsequent change to the designation of the department as a preferred remainder beneficiary shall result in the annuity being treated as a disposal of assets for less than fair market value. The amount of such transfer shall be the maximum amount the institutionalized person or the institutionalized person's spouse could receive from the annuity or similar financial instrument. Any change in the amount of the income or principal being withdrawn from the annuity or other similar financial instrument at the time of the most recent disclosure shall be deemed to be a transfer of assets for less than fair market value unless the institutionalized person or the institutionalized person's spouse demonstrates that the transaction was for fair market value. In the event a distribution of income or principal has been improperly distributed or disbursed from an annuity or other retirement planning instrument of an institutionalized person or the institutionalized person's spouse, a cause of action exists against the individual receiving the improper distribution for the cost of medical assistance services provided or the amount of the improper distribution, whichever is less.

~~(f)~~ (e) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, by or on behalf of an institutionalized person applying for or receiving long-term care services shall be treated as a disposal of assets for less than fair market value unless it is:

(1) an annuity described in subsection (b) or (q) of section 408 of the Internal Revenue Code of 1986; or

(2) purchased with proceeds from:

(i) an account or trust described in subsection (a), (c), or (p) of section 408 of the Internal Revenue Code;

(ii) a simplified employee pension within the meaning of section 408(k) of the Internal Revenue Code; or

(iii) a Roth IRA described in section 408A of the Internal Revenue Code; or

(3) an annuity that is irrevocable and nonassignable; is actuarially sound as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration; and provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made.

~~(g)~~ (f) For purposes of this section, long-term care services include services in a nursing facility, services that are eligible for payment according to section 256B.0625, subdivision 2, because they are provided in a swing bed, intermediate care facility for persons with developmental disabilities, and home and community-based services provided pursuant to chapter 256S and sections 256B.092 and 256B.49. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility or in a swing bed, or intermediate care facility for persons with developmental disabilities or who is receiving home and community-based services under chapter 256S and sections 256B.092 and 256B.49.

~~(h)~~ (g) This section applies to funds used to purchase a promissory note, loan, or mortgage unless the note, loan, or mortgage:

(1) has a repayment term that is actuarially sound;

(2) provides for payments to be made in equal amounts during the term of the loan, with no deferral and no balloon payments made; and

(3) prohibits the cancellation of the balance upon the death of the lender.

(h) In the case of a promissory note, loan, or mortgage that does not meet an exception in paragraph (g), clauses (1) to (3), the value of such note, loan, or mortgage shall be the outstanding balance due as of the date of the institutionalized person's request for medical assistance payment of long-term care services.

(i) This section applies to the purchase of a life estate interest in another person's home unless the purchaser resides in the home for a period of at least one year after the date of purchase.

(j) This section applies to transfers into a pooled trust that qualifies under United States Code, title 42, section 1396p(d)(4)(C), by:

(1) a person age 65 or older or the person's spouse; or

(2) any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of a person age 65 or older or the person's spouse.

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

Sec. 7. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 3b, is amended to read:

Subd. 3b. **Telehealth services.** (a) Medical assistance covers medically necessary services and consultations delivered by a health care provider through telehealth in the same manner as if the service or consultation was delivered through in-person contact. Services or consultations delivered through telehealth shall be paid at the full allowable rate.

(b) The commissioner may establish criteria that a health care provider must attest to in order to demonstrate the safety or efficacy of delivering a particular service through telehealth. The attestation may include that the health care provider:

(1) has identified the categories or types of services the health care provider will provide through telehealth;

(2) has written policies and procedures specific to services delivered through telehealth that are regularly reviewed and updated;

(3) has policies and procedures that adequately address patient safety before, during, and after the service is delivered through telehealth;

(4) has established protocols addressing how and when to discontinue telehealth services; and

(5) has an established quality assurance process related to delivering services through telehealth.

(c) As a condition of payment, a licensed health care provider must document each occurrence of a health service delivered through telehealth to a medical assistance enrollee. Health care service records for services delivered through telehealth must meet the requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

(1) the type of service delivered through telehealth;

(2) the time the service began and the time the service ended, including an a.m. and p.m. designation;

(3) the health care provider's basis for determining that telehealth is an appropriate and effective means for delivering the service to the enrollee;

(4) the mode of transmission used to deliver the service through telehealth and records evidencing that a particular mode of transmission was utilized;

(5) the location of the originating site and the distant site;

(6) if the claim for payment is based on a physician's consultation with another physician through telehealth, the written opinion from the consulting physician providing the telehealth consultation; and

(7) compliance with the criteria attested to by the health care provider in accordance with paragraph (b).

(d) Telehealth visits~~, as described in this subdivision provided through audio and visual communication,~~ may be used to satisfy the face-to-face requirement for reimbursement under the payment methods that apply to a federally qualified health center, rural health clinic, Indian health service, 638 Tribal clinic, and certified community behavioral health clinic, if the service would have otherwise qualified for payment if performed in person.

(e) For mental health services or assessments delivered through telehealth that are based on an individual treatment plan, the provider may document the client's verbal approval or electronic written approval of the treatment plan or change in the treatment plan in lieu of the client's signature in accordance with Minnesota Rules, part 9505.0371.

(f) For purposes of this subdivision, unless otherwise covered under this chapter:

(1) "telehealth" means the delivery of health care services or consultations ~~through the use of~~ using real-time two-way interactive audio and visual communication or accessible telemedicine video-based platforms to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes the application of secure video conferencing~~,~~ consisting of a real-time, full-motion synchronized video; store-and-forward technology~~,~~; and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Telehealth does not include communication between health care providers, or between a health care provider and a patient that consists solely of an audio-only communication, e-mail, or facsimile transmission or as specified by law;

(2) "health care provider" means:

(i) a health care provider as defined under section 62A.673~~,~~;

(ii) a community paramedic as defined under section 144E.001, subdivision 5f~~,~~;

(iii) a community health worker who meets the criteria under subdivision 49, paragraph (a)~~,~~;

(iv) a mental health certified peer specialist under section 256B.0615, subdivision 5~~,~~;

(v) a mental health certified family peer specialist under section 256B.0616, subdivision 5~~,~~;

(vi) a mental health rehabilitation worker under section 256B.0623, subdivision 5, paragraph (a), clause (4), and paragraph (b)~~,~~;

(vii) a mental health behavioral aide under section 256B.0943, subdivision 7, paragraph (b), clause (3)~~,~~;

(viii) a treatment coordinator under section 245G.11, subdivision 7~~,~~;

(ix) an alcohol and drug counselor under section 245G.11, subdivision 5~~,~~; or

(x) a recovery peer under section 245G.11, subdivision 8; and

(3) "originating site," "distant site," and "store-and-forward technology" have the meanings given in section 62A.673, subdivision 2.

Sec. 8. Minnesota Statutes 2020, section 256B.0625, subdivision 64, is amended to read:

Subd. 64. **Investigational drugs, biological products, devices, and clinical trials.** Medical assistance and the early periodic screening, diagnosis, and treatment (EPSDT) program do not cover ~~the costs of any services that are incidental to, associated with, or resulting from the use of~~ investigational drugs, biological products, or devices as defined in section 151.375 or any other treatment that is part of an approved clinical trial as defined in section 62Q.526. Participation of an enrollee in an approved clinical trial does not preclude coverage of medically necessary services covered under this chapter that are not related to the approved clinical trial. Any items or services that are provided solely to satisfy data collection and analysis for a clinical trial, and not for direct clinical management of the enrollee, are not covered.

Sec. 9. **[256B.6903] OMBUDSPERSON FOR MANAGED CARE.**

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

(b) "Adverse benefit determination" has the meaning provided in Code of Federal Regulations, title 42, section 438.400, subpart (b).

(c) "Appeal" means an oral or written request from an enrollee to the managed care organization for review of an adverse benefit determination.

(d) "Commissioner" means the commissioner of human services.

(e) "Complaint" means an enrollee's informal expression of dissatisfaction about any matter relating to the enrollee's prepaid health plan other than an adverse benefit determination.

(f) "Data analyst" means the person employed by the ombudsperson that uses research methodologies to conduct research on data collected from prepaid health plans, including but not limited to scientific theory; hypothesis testing; survey research techniques; data collection; data manipulation; and statistical analysis interpretation, including multiple regression techniques.

(g) "Enrollee" means a person enrolled in a prepaid health plan under section 256B.69. When applicable, an enrollee includes an enrollee's authorized representative.

(h) "External review" means the process described under Code of Federal Regulations, title 42, section 438.408, subpart (f); and section 62Q.73, subdivision 2.

(i) "Grievance" means an enrollee's expression of dissatisfaction about any matter relating to the enrollee's prepaid health plan other than an adverse benefit determination that follows the procedures outlined in Code of Federal Regulations, title 42, part 438, subpart (f). A grievance may include but is not limited to concerns relating to quality of care, services provided, or failure to respect an enrollee's rights under a prepaid health plan.

(j) "Managed care advocate" means a county or Tribal employee who works with managed care enrollees when the enrollee has service, billing, or access problems with the enrollee's prepaid health plan.

(k) "Prepaid health plan" means a plan under contract with the commissioner according to section 256B.69.

(l) "State fair hearing" means the appeals process mandated under section 256.045, subdivision 3a.

Subd. 2. **Ombudsperson.** The commissioner must designate an ombudsperson to advocate for enrollees. At the time of enrollment in a prepaid health plan, the local agency must inform enrollees about the ombudsperson.

Subd. 3. **Duties and cost.** (a) The ombudsperson must work to ensure enrollees receive covered services as described in the enrollee's prepaid health plan by:

(1) providing assistance and education to enrollees, when requested, regarding covered health care benefits or services; billing and access; or the grievance, appeal, or state fair hearing processes;

(2) with the enrollee's permission and within the ombudsperson's discretion, using an informal review process to assist an enrollee with a resolution involving the enrollee's prepaid health plan's benefits;

(3) assisting enrollees, when requested, with prepaid health plan grievances, appeals, or the state fair hearing process;

(4) overseeing, reviewing, and approving documents used by enrollees relating to prepaid health plans' grievances, appeals, and state fair hearings;

(5) reviewing all state fair hearings and requests by enrollees for external review; overseeing entities under contract to provide external reviews, processes, and payments for services; and utilizing aggregated results of external reviews to recommend health care benefits policy changes; and

(6) providing trainings to managed care advocates.

(b) The ombudsperson must not charge an enrollee for the ombudsperson's services.

Subd. 4. **Powers.** In exercising the ombudsperson's authority under this section, the ombudsperson may:

(1) gather information and evaluate any practice, policy, procedure, or action by a prepaid health plan, state human services agency, county, or Tribe; and

(2) prescribe the methods by which complaints are to be made, received, and acted upon. The ombudsperson's authority under this clause includes but is not limited to:

(i) determining the scope and manner of a complaint;

(ii) holding a prepaid health plan accountable to address a complaint in a timely manner as outlined in state and federal laws;

(iii) requiring a prepaid health plan to respond in a timely manner to a request for data, case details, and other information as needed to help resolve a complaint or to improve a prepaid health plan's policy; and

(iv) making recommendations for policy, administrative, or legislative changes regarding prepaid health plans to the proper partners.

Subd. 5. **Data.** (a) The data analyst must review and analyze prepaid health plan data on denial, termination, and reduction notices (DTRs), grievances, appeals, and state fair hearings by:

(1) analyzing, reviewing, and reporting on DTRs, grievances, appeals, and state fair hearings data collected from each prepaid health plan;

(2) collaborating with the commissioner's partners and the Department of Health for the Triennial Compliance Assessment under Code of Federal Regulations, title 42, section 438.358, subpart (b);

(3) reviewing state fair hearing decisions for policy or coverage issues that may affect enrollees; and

(4) providing data required under Code of Federal Regulations, title 42, section 438.66 (2016), to the Centers for Medicare and Medicaid Services.

(b) The data analyst must share the data analyst's data observations and trends under this subdivision with the ombudsperson, prepaid health plans, and commissioner's partners.

Subd. 6. **Collaboration and independence.** (a) The ombudsperson must work in collaboration with the commissioner and the commissioner's partners when the ombudsperson's collaboration does not otherwise interfere with the ombudsperson's duties under this section.

(b) The ombudsperson may act independently of the commissioner when:

(1) providing information or testimony to the legislature; and

(2) contacting and making reports to federal and state officials.

Subd. 7. **Civil actions.** The ombudsperson is not civilly liable for actions taken under this section if the action was taken in good faith, was within the scope of the ombudsperson's authority, and did not constitute willful or reckless misconduct.

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

Sec. 10. Minnesota Statutes 2020, section 256B.77, subdivision 13, is amended to read:

Subd. 13. **Ombudsman.** Enrollees shall have access to ombudsman services established in section ~~256B.69, subdivision 20~~ 256B.6903, and advocacy services provided by the ombudsman for mental health and developmental disabilities established in sections 245.91 to 245.97. The managed care ombudsman and the ombudsman for mental

health and developmental disabilities shall coordinate services provided to avoid duplication of services. For purposes of the demonstration project, the powers and responsibilities of the Office of Ombudsman for Mental Health and Developmental Disabilities, as provided in sections 245.91 to 245.97 are expanded to include all eligible individuals, health plan companies, agencies, and providers participating in the demonstration project.

Sec. 11. **REPEALER.**

(a) Minnesota Statutes 2020, section 256B.057, subdivision 7, is repealed on July 1, 2022.

(b) Minnesota Statutes 2020, sections 256B.69, subdivision 20; 501C.0408, subdivision 4; and 501C.1206, are repealed the day following final enactment.

ARTICLE 5
HEALTH-RELATED LICENSING BOARDS

Section 1. Minnesota Statutes 2020, section 148B.33, is amended by adding a subdivision to read:

Subd. 1a. **Supervision requirement; postgraduate experience.** The board must allow an applicant to satisfy the requirement for supervised postgraduate experience in marriage and family therapy with all required hours of supervision provided through real-time, two-way interactive audio and visual communication.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to supervision requirements in effect on or after that date.

Sec. 2. Minnesota Statutes 2021 Supplement, section 148B.5301, subdivision 2, is amended to read:

Subd. 2. **Supervision.** (a) To qualify as a LPCC, an applicant must have completed 4,000 hours of post-master's degree supervised professional practice in the delivery of clinical services in the diagnosis and treatment of mental illnesses and disorders in both children and adults. The supervised practice shall be conducted according to the requirements in paragraphs (b) to (e).

(b) The supervision must have been received under a contract that defines clinical practice and supervision from a mental health professional who is qualified according to section 245I.04, subdivision 2, or by a board-approved supervisor, who has at least two years of postlicensure experience in the delivery of clinical services in the diagnosis and treatment of mental illnesses and disorders. All supervisors must meet the supervisor requirements in Minnesota Rules, part 2150.5010.

(c) The supervision must be obtained at the rate of two hours of supervision per 40 hours of professional practice. The supervision must be evenly distributed over the course of the supervised professional practice. At least 75 percent of the required supervision hours must be received in person or through real-time, two-way interactive audio and visual communication, and the board must allow an applicant to satisfy this supervision requirement with all required hours of supervision received through real-time, two-way interactive audio and visual communication. The remaining 25 percent of the required hours may be received by telephone or by audio or audiovisual electronic device. At least 50 percent of the required hours of supervision must be received on an individual basis. The remaining 50 percent may be received in a group setting.

(d) The supervised practice must include at least 1,800 hours of clinical client contact.

(e) The supervised practice must be clinical practice. Supervision includes the observation by the supervisor of the successful application of professional counseling knowledge, skills, and values in the differential diagnosis and treatment of psychosocial function, disability, or impairment, including addictions and emotional, mental, and behavioral disorders.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to supervision requirements in effect on or after that date.

Sec. 3. Minnesota Statutes 2020, section 148E.100, subdivision 3, is amended to read:

Subd. 3. **Types of supervision.** Of the 100 hours of supervision required under subdivision 1:

(1) 50 hours must be provided through one-on-one supervision~~, including: (i) a minimum of 25 hours of in person supervision, and (ii) no more than 25 hours of supervision~~. The supervision must be provided either in person or via eye-to-eye electronic media, while maintaining visual contact. The board must allow a licensed social worker to satisfy the supervision requirement of this clause with all required hours of supervision provided via eye-to-eye electronic media, while maintaining visual contact; and

(2) 50 hours must be provided through: (i) one-on-one supervision, or (ii) group supervision. The supervision may be in person, by telephone, or via eye-to-eye electronic media, while maintaining visual contact. The supervision must not be provided by e-mail. Group supervision is limited to six supervisees.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to supervision requirements in effect on or after that date.

Sec. 4. Minnesota Statutes 2020, section 148E.105, subdivision 3, is amended to read:

Subd. 3. **Types of supervision.** Of the 100 hours of supervision required under subdivision 1:

(1) 50 hours must be provided ~~though~~ through one-on-one supervision~~, including: (i) a minimum of 25 hours of in person supervision, and (ii) no more than 25 hours of supervision~~. The supervision must be provided either in person or via eye-to-eye electronic media, while maintaining visual contact. The board must allow a licensed graduate social worker to satisfy the supervision requirement of this clause with all required hours of supervision provided via eye-to-eye electronic media, while maintaining visual contact; and

(2) 50 hours must be provided through: (i) one-on-one supervision, or (ii) group supervision. The supervision may be in person, by telephone, or via eye-to-eye electronic media, while maintaining visual contact. The supervision must not be provided by e-mail. Group supervision is limited to six supervisees.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to supervision requirements in effect on or after that date.

Sec. 5. Minnesota Statutes 2020, section 148E.106, subdivision 3, is amended to read:

Subd. 3. **Types of supervision.** Of the 200 hours of supervision required under subdivision 1:

(1) 100 hours must be provided through one-on-one supervision~~, including: (i) a minimum of 50 hours of in person supervision, and (ii) no more than 50 hours of supervision~~. The supervision must be provided either in person or via eye-to-eye electronic media, while maintaining visual contact. The board must allow a licensed graduate social worker to satisfy the supervision requirement of this clause with all required hours of supervision provided via eye-to-eye electronic media, while maintaining visual contact; and

(2) 100 hours must be provided through: (i) one-on-one supervision, or (ii) group supervision. The supervision may be in person, by telephone, or via eye-to-eye electronic media, while maintaining visual contact. The supervision must not be provided by e-mail. Group supervision is limited to six supervisees.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to supervision requirements in effect on or after that date.

Sec. 6. Minnesota Statutes 2020, section 148E.110, subdivision 7, is amended to read:

Subd. 7. **Supervision; clinical social work practice after licensure as licensed independent social worker.** Of the 200 hours of supervision required under subdivision 5:

(1) 100 hours must be provided through one-on-one supervision~~, including:~~. The supervision must be provided either in person or via eye-to-eye electronic media, while maintaining visual contact. The board must allow a licensed independent social worker to satisfy the supervision requirement of this clause with all required hours of supervision provided via eye-to-eye electronic media, while maintaining visual contact; and

~~(i) a minimum of 50 hours of in-person supervision; and~~

~~(ii) no more than 50 hours of supervision via eye-to-eye electronic media, while maintaining visual contact; and~~

(2) 100 hours must be provided through:

(i) one-on-one supervision; or

(ii) group supervision.

The supervision may be in person, by telephone, or via eye-to-eye electronic media, while maintaining visual contact. The supervision must not be provided by e-mail. Group supervision is limited to six supervisees.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to supervision requirements in effect on or after that date.

Sec. 7. Minnesota Statutes 2020, section 150A.06, subdivision 1c, is amended to read:

Subd. 1c. **Specialty dentists.** (a) The board may grant one or more specialty licenses in the specialty areas of dentistry that are recognized by the Commission on Dental Accreditation.

(b) An applicant for a specialty license shall:

(1) have successfully completed a postdoctoral specialty program accredited by the Commission on Dental Accreditation, or have announced a limitation of practice before 1967;

(2) have been certified by a specialty board approved by the Minnesota Board of Dentistry, or provide evidence of having passed a clinical examination for licensure required for practice in any state or Canadian province, or in the case of oral and maxillofacial surgeons only, have a Minnesota medical license in good standing;

(3) have been in active practice or a postdoctoral specialty education program or United States government service at least 2,000 hours in the 36 months prior to applying for a specialty license;

(4) if requested by the board, be interviewed by a committee of the board, which may include the assistance of specialists in the evaluation process, and satisfactorily respond to questions designed to determine the applicant's knowledge of dental subjects and ability to practice;

(5) if requested by the board, present complete records on a sample of patients treated by the applicant. The sample must be drawn from patients treated by the applicant during the 36 months preceding the date of application. The number of records shall be established by the board. The records shall be reasonably representative of the treatment typically provided by the applicant for each specialty area;

(6) at board discretion, pass a board-approved English proficiency test if English is not the applicant's primary language;

(7) pass all components of the National Board Dental Examinations;

(8) pass the Minnesota Board of Dentistry jurisprudence examination;

(9) abide by professional ethical conduct requirements; and

(10) meet all other requirements prescribed by the Board of Dentistry.

(c) The application must include:

(1) a completed application furnished by the board;

~~(2) at least two character references from two different dentists for each specialty area, one of whom must be a dentist practicing in the same specialty area, and the other from the director of each specialty program attended;~~

~~(3) a licensed physician's statement attesting to the applicant's physical and mental condition;~~

~~(4) a statement from a licensed ophthalmologist or optometrist attesting to the applicant's visual acuity;~~

~~(5)~~ (2) a nonrefundable fee; and

~~(6)~~ (3) a ~~notarized, unmounted passport type photograph, three inches by three inches, taken not more than six months before the date of application~~ copy of the applicant's government issued photo identification card.

(d) A specialty dentist holding one or more specialty licenses is limited to practicing in the dentist's designated specialty area or areas. The scope of practice must be defined by each national specialty board recognized by the Commission on Dental Accreditation.

(e) A specialty dentist holding a general dental license is limited to practicing in the dentist's designated specialty area or areas if the dentist has announced a limitation of practice. The scope of practice must be defined by each national specialty board recognized by the Commission on Dental Accreditation.

(f) All specialty dentists who have fulfilled the specialty dentist requirements and who intend to limit their practice to a particular specialty area or areas may apply for one or more specialty licenses.

Sec. 8. Minnesota Statutes 2020, section 150A.06, subdivision 2c, is amended to read:

Subd. 2c. **Guest license.** (a) The board shall grant a guest license to practice as a dentist, dental hygienist, or licensed dental assistant if the following conditions are met:

(1) the dentist, dental hygienist, or dental assistant is currently licensed in good standing in another United States jurisdiction;

(2) the dentist, dental hygienist, or dental assistant is currently engaged in the practice of that person's respective profession in another United States jurisdiction;

(3) the dentist, dental hygienist, or dental assistant will limit that person's practice to a public health setting in Minnesota that (i) is approved by the board; (ii) was established by a nonprofit organization that is tax exempt under chapter 501(c)(3) of the Internal Revenue Code of 1986; and (iii) provides dental care to patients who have difficulty accessing dental care;

(4) the dentist, dental hygienist, or dental assistant agrees to treat indigent patients who meet the eligibility criteria established by the clinic; and

(5) the dentist, dental hygienist, or dental assistant has applied to the board for a guest license and has paid a nonrefundable license fee to the board ~~not to exceed $75~~.

(b) A guest license must be renewed annually with the board and an annual renewal fee ~~not to exceed $75~~ must be paid to the board. Guest licenses expire on December 31 of each year.

(c) A dentist, dental hygienist, or dental assistant practicing under a guest license under this subdivision shall have the same obligations as a dentist, dental hygienist, or dental assistant who is licensed in Minnesota and shall be subject to the laws and rules of Minnesota and the regulatory authority of the board. If the board suspends or revokes the guest license of, or otherwise disciplines, a dentist, dental hygienist, or dental assistant practicing under this subdivision, the board shall promptly report such disciplinary action to the dentist's, dental hygienist's, or dental assistant's regulatory board in the jurisdictions in which they are licensed.

(d) The board may grant a guest license to a dentist, dental hygienist, or dental assistant licensed in another United States jurisdiction to provide dental care to patients on a voluntary basis without compensation for a limited period of time. The board shall not assess a fee for the guest license for volunteer services issued under this paragraph.

(e) The board shall issue a guest license for volunteer services if:

(1) the board determines that the applicant's services will provide dental care to patients who have difficulty accessing dental care;

(2) the care will be provided without compensation; and

(3) the applicant provides adequate proof of the status of all licenses to practice in other jurisdictions. The board may require such proof on an application form developed by the board.

(f) The guest license for volunteer services shall limit the licensee to providing dental care services for a period of time not to exceed ten days in a calendar year. Guest licenses expire on December 31 of each year.

(g) The holder of a guest license for volunteer services shall be subject to state laws and rules regarding dentistry and the regulatory authority of the board. The board may revoke the license of a dentist, dental hygienist, or dental assistant practicing under this subdivision or take other regulatory action against the dentist, dental hygienist, or dental assistant. If an action is taken, the board shall report the action to the regulatory board of those jurisdictions where an active license is held by the dentist, dental hygienist, or dental assistant.

Sec. 9. Minnesota Statutes 2020, section 150A.06, subdivision 6, is amended to read:

Subd. 6. **Display of name and certificates.** (a) The renewal certificate of ~~every dentist, dental therapist, dental hygienist, or dental assistant~~ every licensee or registrant must be conspicuously displayed in plain sight of patients in every office in which that person practices. Duplicate renewal certificates may be obtained from the board.

(b) Near or on the entrance door to every office where dentistry is practiced, the name of each dentist practicing there, as inscribed on the current license certificate, must be displayed in plain sight.

(c) The board must allow the display of a mini-license for guest license holders performing volunteer dental services. There is no fee for the mini-license for guest volunteers.

Sec. 10. Minnesota Statutes 2020, section 150A.06, is amended by adding a subdivision to read:

Subd. 12. **Licensure by credentials for dental therapy.** (a) Any dental therapist may, upon application and payment of a fee established by the board, apply for licensure based on an evaluation of the applicant's education, experience, and performance record. The applicant may be interviewed by the board to determine if the applicant:

(1) graduated with a baccalaureate or master's degree from a dental therapy program accredited by the Commission on Dental Accreditation;

(2) provided evidence of successfully completing the board's jurisprudence examination;

(3) actively practiced at least 2,000 hours within 36 months of the application date or passed a board-approved reentry program within 36 months of the application date;

(4) either:

(i) is currently licensed in another state or Canadian province and not subject to any pending or final disciplinary action; or

(ii) was previously licensed in another state or Canadian province in good standing and not subject to any final or pending disciplinary action at the time of surrender;

(5) passed a board-approved English proficiency test if English is not the applicant's primary language required at the board's discretion; and

(6) met all curriculum equivalency requirements regarding dental therapy scope of practice in Minnesota.

(b) The 2,000 practice hours required by clause (3) may count toward the 2,000 practice hours required for consideration for advanced dental therapy certification, provided that all other requirements of section 150A.106, subdivision 1, are met.

(c) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(d) The board must license an applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 1d to practice the applicant's profession.

(e) The board must deny the application if the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 1d. If licensure is denied, the board may notify the applicant of any specific remedy the applicant could take to qualify for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 1d.

(e) A candidate may appeal a denied application to the board according to subdivision 4a.

Sec. 11. Minnesota Statutes 2020, section 150A.09, is amended to read:

150A.09 ~~REGISTRATION OF~~ LICENSES ~~AND~~ OR REGISTRATION CERTIFICATES.

Subdivision 1. **Registration information and procedure.** On or before the license certificate expiration date every ~~licensed dentist, dental therapist, dental hygienist, and dental assistant~~ licensee or registrant shall ~~transmit to the executive secretary of the board, pertinent information~~ submit the renewal required by the board, together with

the applicable fee ~~established by the board~~ under section 150A.091. At least 30 days before a license certificate expiration date, the board shall send a written notice stating the amount and due date of the fee ~~and the information to be provided to every licensed dentist, dental therapist, dental hygienist, and dental assistant~~.

Subd. 3. **Current address, change of address.** Every ~~dentist, dental therapist, dental hygienist, and dental assistant~~ licensee or registrant shall maintain with the board a correct and current mailing address and electronic mail address. For dentists engaged in the practice of dentistry, the postal address shall be that of the location of the primary dental practice. Within 30 days after changing postal or electronic mail addresses, every ~~dentist, dental therapist, dental hygienist, and dental assistant~~ licensee or registrant shall provide the board ~~written~~ notice ~~of the new address either personally or by first class mail~~.

Subd. 4. **Duplicate certificates.** Duplicate licenses or duplicate certificates of ~~license~~ renewal may be issued by the board upon satisfactory proof of the need for the duplicates and upon payment of the fee established by the board.

Subd. 5. **Late fee.** A late fee established by the board shall be paid if the ~~information and~~ fee required by subdivision 1 is not received by ~~the executive secretary of~~ the board on or before the registration or ~~license~~ renewal date.

Sec. 12. Minnesota Statutes 2020, section 150A.091, subdivision 2, is amended to read:

Subd. 2. **Application and initial license or registration fees.** Each applicant shall submit with a license, advanced dental therapist certificate, or permit application a nonrefundable fee in the following amounts in order to administratively process an application:

(1) dentist, ~~$140~~ $308;

(2) full faculty dentist, ~~$140~~ $308;

(3) limited faculty dentist, $140;

(4) resident dentist or dental provider, $55;

(5) advanced dental therapist, $100;

(6) dental therapist, ~~$100~~ $220;

(7) dental hygienist, ~~$55~~ $115;

(8) licensed dental assistant, ~~$55; and~~ $115;

(9) dental assistant with ~~a permit~~ registration as described in Minnesota Rules, part 3100.8500, subpart 3, ~~$15.~~ $27; and

(10) guest license, $50.

Sec. 13. Minnesota Statutes 2020, section 150A.091, subdivision 5, is amended to read:

Subd. 5. **Biennial license or ~~permit~~ registration renewal fees.** Each of the following applicants shall submit with a biennial license or permit renewal application a fee as established by the board, not to exceed the following amounts:

(1) dentist or full faculty dentist, $475;

(2) dental therapist, $300;

(3) dental hygienist, $200;

(4) licensed dental assistant, $150; and

(5) dental assistant with a ~~permit~~ registration as described in Minnesota Rules, part 3100.8500, subpart 3, $24.

Sec. 14. Minnesota Statutes 2020, section 150A.091, subdivision 8, is amended to read:

Subd. 8. **Duplicate license or certificate fee.** Each applicant shall submit, with a request for issuance of a duplicate of the original license, or of an annual or biennial renewal certificate for a license or permit, a fee in the following amounts:

(1) original dentist, full faculty dentist, dental therapist, dental hygiene, or dental assistant license, $35; and

(2) annual or biennial renewal certificates, $10~~; and~~.

~~(3) wallet-sized license and renewal certificate, $15.~~

Sec. 15. Minnesota Statutes 2020, section 150A.091, subdivision 9, is amended to read:

Subd. 9. **Licensure by credentials.** Each applicant for licensure as a dentist, dental hygienist, or dental assistant by credentials pursuant to section 150A.06, subdivisions 4 and 8, and Minnesota Rules, part 3100.1400, shall submit with the license application a fee in the following amounts:

(1) dentist, ~~$725~~ $893;

(2) dental hygienist, ~~$175; and~~ $235;

(3) dental assistant, ~~$35.~~ $71; and

(4) dental therapist, $340.

Sec. 16. Minnesota Statutes 2020, section 150A.091, is amended by adding a subdivision to read:

Subd. 21. **Failure to practice with a current license.** (a) If a licensee practices without a current license and pursues reinstatement, the board may take the following administrative actions based on the length of time practicing without a current license:

(1) for under one month, the board may not assess a penalty fee;

(2) for one month to six months, the board may assess a penalty of $250;

(3) for over six months, the board may assess a penalty of $500; and

(4) for over 12 months, the board may assess a penalty of $1,000.

(b) In addition to the penalty fee, the board shall initiate the complaint process against the licensee for failure to practice with a current license for over 12 months.

Sec. 17. Minnesota Statutes 2020, section 150A.091, is amended by adding a subdivision to read:

Subd. 22. **Delegating regulated procedures to an individual with a terminated license.** (a) If a dentist or dental therapist delegates regulated procedures to another dental professional who had their license terminated, the board may take the following administrative actions against the delegating dentist or dental therapist based on the length of time they delegated regulated procedures:

(1) for under one month, the board may not assess a penalty fee;

(2) for one month to six months, the board may assess a penalty of $100;

(3) for over six months, the board may assess a penalty of $250; and

(4) for over 12 months, the board may assess a penalty of $500.

(b) In addition to the penalty fee, the board shall initiate the complaint process against a dentist or dental therapist who delegated regulated procedures to a dental professional with a terminated license for over 12 months.

Sec. 18. Minnesota Statutes 2020, section 151.01, subdivision 27, is amended to read:

Subd. 27. **Practice of pharmacy.** "Practice of pharmacy" means:

(1) interpretation and evaluation of prescription drug orders;

(2) compounding, labeling, and dispensing drugs and devices (except labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices);

(3) participation in clinical interpretations and monitoring of drug therapy for assurance of safe and effective use of drugs, including the performance of laboratory tests that are waived under the federal Clinical Laboratory Improvement Act of 1988, United States Code, title 42, section 263a et seq., provided that a pharmacist may interpret the results of laboratory tests but may modify drug therapy only pursuant to a protocol or collaborative practice agreement;

(4) participation in drug and therapeutic device selection; drug administration for first dosage and medical emergencies; intramuscular and subcutaneous drug administration ~~used for the treatment of alcohol or opioid dependence~~ under a prescription drug order; drug regimen reviews; and drug or drug-related research;

(5) drug administration, through intramuscular and subcutaneous administration used to treat mental illnesses as permitted under the following conditions:

(i) upon the order of a prescriber and the prescriber is notified after administration is complete; or

(ii) pursuant to a protocol or collaborative practice agreement as defined by section 151.01, subdivisions 27b and 27c, and participation in the initiation, management, modification, administration, and discontinuation of drug therapy is according to the protocol or collaborative practice agreement between the pharmacist and a dentist, optometrist, physician, podiatrist, or veterinarian, or an advanced practice registered nurse authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy or medication administration made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(6) participation in administration of influenza vaccines and vaccines approved by the United States Food and Drug Administration related to COVID-19 or SARS-CoV-2 to all eligible individuals six years of age and older and all other vaccines to patients 13 years of age and older by written protocol with a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that:

(i) the protocol includes, at a minimum:

(A) the name, dose, and route of each vaccine that may be given;

(B) the patient population for whom the vaccine may be given;

(C) contraindications and precautions to the vaccine;

(D) the procedure for handling an adverse reaction;

(E) the name, signature, and address of the physician, physician assistant, or advanced practice registered nurse;

(F) a telephone number at which the physician, physician assistant, or advanced practice registered nurse can be contacted; and

(G) the date and time period for which the protocol is valid;

(ii) the pharmacist has successfully completed a program approved by the Accreditation Council for Pharmacy Education specifically for the administration of immunizations or a program approved by the board;

(iii) the pharmacist utilizes the Minnesota Immunization Information Connection to assess the immunization status of individuals prior to the administration of vaccines, except when administering influenza vaccines to individuals age nine and older;

(iv) the pharmacist reports the administration of the immunization to the Minnesota Immunization Information Connection; and

(v) the pharmacist complies with guidelines for vaccines and immunizations established by the federal Advisory Committee on Immunization Practices, except that a pharmacist does not need to comply with those portions of the guidelines that establish immunization schedules when administering a vaccine pursuant to a valid, patient-specific order issued by a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that the order is consistent with the United States Food and Drug Administration approved labeling of the vaccine;

(7) participation in the initiation, management, modification, and discontinuation of drug therapy according to a written protocol or collaborative practice agreement between: (i) one or more pharmacists and one or more dentists, optometrists, physicians, podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more physician assistants authorized to prescribe, dispense, and administer under chapter 147A, or advanced practice registered nurses authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(8) participation in the storage of drugs and the maintenance of records;

(9) patient counseling on therapeutic values, content, hazards, and uses of drugs and devices;

(10) offering or performing those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy;

(11) participation in the initiation, management, modification, and discontinuation of therapy with opiate antagonists, as defined in section 604A.04, subdivision 1, pursuant to:

(i) a written protocol as allowed under clause (7); or

(ii) a written protocol with a community health board medical consultant or a practitioner designated by the commissioner of health, as allowed under section 151.37, subdivision 13; ~~and~~

(12) prescribing self-administered hormonal contraceptives; nicotine replacement medications; and opiate antagonists for the treatment of an acute opiate overdose pursuant to section 151.37, subdivision 14, 15, or 16~~.~~; and

(13) participation in the placement of drug monitoring devices according to a prescription, protocol, or collaborative practice agreement.

Sec. 19. Minnesota Statutes 2020, section 153.16, subdivision 1, is amended to read:

Subdivision 1. **License requirements.** The board shall issue a license to practice podiatric medicine to a person who meets the following requirements:

(a) The applicant for a license shall file a written notarized application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a podiatric medical school approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant factors.

(c) The applicant must have received a passing score on each part of the national board examinations, parts one and two, prepared and graded by the National Board of Podiatric Medical Examiners. The passing score for each part of the national board examinations, parts one and two, is as defined by the National Board of Podiatric Medical Examiners.

(d) Applicants graduating after ~~1986~~ 1990 from a podiatric medical school shall present evidence of successful completion of a residency program approved by a national accrediting podiatric medicine organization.

(e) The applicant shall appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section, including knowledge of laws, rules, and ethics pertaining to the practice of podiatric medicine. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation. Upon completion of all other application requirements, a doctor of podiatric medicine applying for a temporary military license has six months in which to comply with this subdivision.

(f) The applicant shall pay a fee established by the board by rule. The fee shall not be refunded.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee. If the applicant does not satisfy the requirements of this paragraph, the board may refuse to issue a license unless it determines that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

(h) Upon payment of a fee as the board may require, an applicant who fails to pass an examination and is refused a license is entitled to reexamination within one year of the board's refusal to issue the license. No more than two reexaminations are allowed without a new application for a license.

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

Sec. 20. **TEMPORARY REQUIREMENTS GOVERNING AMBULANCE SERVICE OPERATIONS AND THE PROVISION OF EMERGENCY MEDICAL SERVICES.**

Subdivision 1. **Application.** Notwithstanding any law to the contrary in Minnesota Statutes, chapter 144E, an ambulance service may operate according to this section, and emergency medical technicians, advanced emergency medical technicians, and paramedics may provide emergency medical services according to this section.

Subd. 2. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Advanced emergency medical technician" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 5d.

(c) "Advanced life support" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 1b.

(d) "Ambulance" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 2.

(e) "Ambulance service personnel" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 3a.

(f) "Basic life support" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 4b.

(g) "Board" means the Emergency Medical Services Regulatory Board.

(h) "Emergency medical technician" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 5c.

(i) "Paramedic" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 5e.

(j) "Primary service area" means the area designated by the board according to Minnesota Statutes, section 144E.06, to be served by an ambulance service.

Subd. 3. **Staffing.** (a) For emergency ambulance calls in an ambulance service's primary service area, an ambulance service must staff an ambulance that provides basic life support with at least:

(1) one emergency medical technician, who must be in the patient compartment when a patient is being transported; and

(2) one individual to drive the ambulance. The driver must hold a valid driver's license from any state, must have attended an emergency vehicle driving course approved by the ambulance service, and must have completed a course on cardiopulmonary resuscitation approved by the ambulance service.

(b) For emergency ambulance calls in an ambulance service's primary service area, an ambulance service must staff an ambulance that provides advanced life support with at least:

(1) one paramedic; one registered nurse who meets the requirements in Minnesota Statutes, section 144E.001, subdivision 3a, clause (2); or one physician assistant who meets the requirements in Minnesota Statutes, section 144E.001, subdivision 3a, clause (3), and who must be in the patient compartment when a patient is being transported; and

(2) one individual to drive the ambulance. The driver must hold a valid driver's license from any state, must have attended an emergency vehicle driving course approved by the ambulance service, and must have completed a course on cardiopulmonary resuscitation approved by the ambulance service.

(c) The ambulance service director and medical director must approve the staffing of an ambulance according to this subdivision.

(d) An ambulance service staffing an ambulance according to this subdivision must immediately notify the board in writing and in a manner prescribed by the board. The notice must specify how the ambulance service is staffing its basic life support or advanced life support ambulances and the time period the ambulance service plans to staff the ambulances according to this subdivision. If an ambulance service continues to staff an ambulance according to this subdivision after the date provided to the board in its initial notice, the ambulance service must provide a new notice to the board in a manner that complies with this paragraph.

(e) If an individual serving as a driver under this subdivision commits an act listed in Minnesota Statutes, section 144E.27, subdivision 5, paragraph (a), the board may temporarily suspend or prohibit the individual from driving an ambulance or place conditions on the individual's ability to drive an ambulance using the procedures and authority in Minnesota Statutes, section 144E.27, subdivisions 5 and 6.

Subd. 4. **Use of expired emergency medications and medical supplies.** (a) If an ambulance service experiences a shortage of an emergency medication or medical supply, ambulance service personnel may use an emergency medication or medical supply for up to six months after the emergency medication's or medical supply's specified expiration date, provided:

(1) the ambulance service director and medical director approve the use of the expired emergency medication or medical supply;

(2) ambulance service personnel use an expired emergency medication or medical supply only after depleting the ambulance service's supply of that emergency medication or medical supply that is unexpired;

(3) the ambulance service has stored and maintained the expired emergency medication or medical supply according to the manufacturer's instructions;

(4) if possible, ambulance service personnel obtain consent from the patient to use the expired emergency medication or medical supply prior to its use; and

(5) when the ambulance service obtains a supply of that emergency medication or medical supply that is unexpired, ambulance service personnel cease use of the expired emergency medication or medical supply and instead use the unexpired emergency medication or medical supply.

(b) Before approving the use of an expired emergency medication, an ambulance service director and medical director must consult with the Board of Pharmacy regarding the safety and efficacy of using the expired emergency medication.

(c) An ambulance service must keep a record of all expired emergency medications and all expired medical supplies used and must submit that record in writing to the board in a time and manner specified by the board. The record must list the specific expired emergency medications and medical supplies used and the time period during which ambulance service personnel used the expired emergency medication or medical supply.

Subd. 5. **Provision of emergency medical services after certification expires.** (a) At the request of an emergency medical technician, advanced emergency medical technician, or paramedic, and with the approval of the ambulance service director, an ambulance service medical director may authorize the emergency medical technician, advanced emergency medical technician, or paramedic to provide emergency medical services for the ambulance service for up to three months after the certification of the emergency medical technician, advanced emergency medical technician, or paramedic expires.

(b) An ambulance service must immediately notify the board each time its medical director issues an authorization under paragraph (a). The notice must be provided in writing and in a manner prescribed by the board and must include information on the time period each emergency medical technician, advanced emergency medical technician, or paramedic will provide emergency medical services according to an authorization under this subdivision; information on why the emergency medical technician, advanced emergency medical technician, or paramedic needs the authorization; and an attestation from the medical director that the authorization is necessary to help the ambulance service adequately staff its ambulances.

Subd. 6. **Reports.** The board must provide quarterly reports to the chairs and ranking minority members of the legislative committees with jurisdiction over the board regarding actions taken by ambulance services according to subdivisions 3, 4, and 5. The board must submit reports by June 30, September 30, and December 31 of 2022; and by March 31, June 30, September 30, and December 31 of 2023. Each report must include the following information:

(1) for each ambulance service staffing basic life support or advanced life support ambulances according to subdivision 3, the primary service area served by the ambulance service, the number of ambulances staffed according to subdivision 3, and the time period the ambulance service has staffed and plans to staff the ambulances according to subdivision 3;

(2) for each ambulance service that authorized the use of an expired emergency medication or medical supply according to subdivision 4, the expired emergency medications and medical supplies authorized for use and the time period the ambulance service used each expired emergency medication or medical supply; and

(3) for each ambulance service that authorized the provision of emergency medical services according to subdivision 5, the number of emergency medical technicians, advanced emergency medical technicians, and paramedics providing emergency medical services under an expired certification and the time period each emergency medical technician, advanced emergency medical technician, or paramedic provided and will provide emergency medical services under an expired certification.

Subd. 7. **Expiration.** This section expires January 1, 2024.

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

Sec. 21. **REPEALER.**

Minnesota Statutes 2020, section 150A.091, subdivisions 3, 15, and 17, are repealed.

ARTICLE 6
PRESCRIPTION DRUGS

Section 1. Minnesota Statutes 2020, section 62A.02, subdivision 1, is amended to read:

Subdivision 1. **Filing.** For purposes of this section, "health plan" means a health plan as defined in section 62A.011 or a policy of accident and sickness insurance as defined in section 62A.01. No health plan shall be issued or delivered to any person in this state, nor shall any application, rider, or endorsement be used in connection with

the health plan, until a copy of its form and of the classification of risks and the premium rates pertaining to the form have been filed with the commissioner. The filing must include the health plan's prescription drug formulary. Proposed revisions to the health plan's prescription drug formulary must be filed with the commissioner no later than August 1 of the application year. The filing for nongroup health plan forms shall include a statement of actuarial reasons and data to support the rate. For health benefit plans as defined in section 62L.02, and for health plans to be issued to individuals, the health carrier shall file with the commissioner the information required in section 62L.08, subdivision 8. For group health plans for which approval is sought for sales only outside of the small employer market as defined in section 62L.02, this section applies only to policies or contracts of accident and sickness insurance. All forms intended for issuance in the individual or small employer market must be accompanied by a statement as to the expected loss ratio for the form. Premium rates and forms relating to specific insureds or proposed insureds, whether individuals or groups, need not be filed, unless requested by the commissioner.

Sec. 2. Minnesota Statutes 2021 Supplement, section 62J.497, subdivision 1, is amended to read:

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

(b) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision 30. Dispensing does not include the direct administering of a controlled substance to a patient by a licensed health care professional.

(c) "Dispenser" means a person authorized by law to dispense a controlled substance, pursuant to a valid prescription.

(d) "Electronic media" has the meaning given under Code of Federal Regulations, title 45, part 160.103.

(e) "E-prescribing" means the transmission using electronic media of prescription or prescription-related information between a prescriber, dispenser, pharmacy benefit manager, or group purchaser, either directly or through an intermediary, including an e-prescribing network. E-prescribing includes, but is not limited to, two-way transmissions between the point of care and the dispenser and two-way transmissions related to eligibility, formulary, and medication history information.

(f) "Electronic prescription drug program" means a program that provides for e-prescribing.

(g) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

(h) "HL7 messages" means a standard approved by the standards development organization known as Health Level Seven.

(i) "National Provider Identifier" or "NPI" means the identifier described under Code of Federal Regulations, title 45, part 162.406.

(j) "NCPDP" means the National Council for Prescription Drug Programs, Inc.

(k) "NCPDP Formulary and Benefits Standard" means the most recent version of the National Council for Prescription Drug Programs Formulary and Benefits Standard or the most recent standard adopted by the Centers for Medicare and Medicaid Services for e-prescribing under Medicare Part D as required by section 1860D-4(e)(4)(D) of the Social Security Act and regulations adopted under it. The standards shall be implemented according to the Centers for Medicare and Medicaid Services schedule for compliance.

(l) "NCPDP Real-Time Prescription Benefit Standard" means the most recent National Council for Prescription Drug Programs Real-Time Prescription Benefit Standard adopted by the Centers for Medicare and Medicaid Services for e-prescribing under Medicare Part D as required by section 1860D-4(e)(2) of the Social Security Act and regulations adopted under it.

~~(l)~~ (m) "NCPDP SCRIPT Standard" means the most recent version of the National Council for Prescription Drug Programs SCRIPT Standard, or the most recent standard adopted by the Centers for Medicare and Medicaid Services for e-prescribing under Medicare Part D as required by section 1860D-4(e)(4)(D) of the Social Security Act, and regulations adopted under it. The standards shall be implemented according to the Centers for Medicare and Medicaid Services schedule for compliance.

~~(m)~~ (n) "Pharmacy" has the meaning given in section 151.01, subdivision 2.

(o) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision 15.

~~(n)~~ (p) "Prescriber" means a licensed health care practitioner, other than a veterinarian, as defined in section 151.01, subdivision 23.

~~(o)~~ (q) "Prescription-related information" means information regarding eligibility for drug benefits, medication history, or related health or drug information.

~~(p)~~ (r) "Provider" or "health care provider" has the meaning given in section 62J.03, subdivision 8.

(s) "Real-time prescription benefit tool" means a tool that is capable of being integrated into a prescriber's e-prescribing system and that provides a prescriber with up-to-date and patient-specific formulary and benefit information at the time the prescriber submits a prescription.

Sec. 3. Minnesota Statutes 2021 Supplement, section 62J.497, subdivision 3, is amended to read:

Subd. 3. **Standards for electronic prescribing.** (a) Prescribers and dispensers must use the NCPDP SCRIPT Standard for the communication of a prescription or prescription-related information.

(b) Providers, group purchasers, prescribers, and dispensers must use the NCPDP SCRIPT Standard for communicating and transmitting medication history information.

(c) Providers, group purchasers, prescribers, and dispensers must use the NCPDP Formulary and Benefits Standard for communicating and transmitting formulary and benefit information.

(d) Providers, group purchasers, prescribers, and dispensers must use the national provider identifier to identify a health care provider in e-prescribing or prescription-related transactions when a health care provider's identifier is required.

(e) Providers, group purchasers, prescribers, and dispensers must communicate eligibility information and conduct health care eligibility benefit inquiry and response transactions according to the requirements of section 62J.536.

(f) Group purchasers and pharmacy benefit managers must use a real-time prescription benefit tool that complies with the NCPDP Real-Time Prescription Benefit Standard and that, at a minimum, notifies a prescriber:

(1) if a prescribed drug is covered by the patient's group purchaser or pharmacy benefit manager;

(2) if a prescribed drug is included on the formulary or preferred drug list of the patient's group purchaser or pharmacy benefit manager;

(3) of any patient cost-sharing for the prescribed drug;

(4) if prior authorization is required for the prescribed drug; and

(5) of a list of any available alternative drugs that are in the same class as the drug originally prescribed and for which prior authorization is not required.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 4. Minnesota Statutes 2020, section 62J.84, as amended by Laws 2021, chapter 30, article 3, sections 5 to 9, is amended to read:

62J.84 PRESCRIPTION DRUG PRICE TRANSPARENCY.

Subdivision 1. **Short title.** This section may be cited as the "Prescription Drug Price Transparency Act."

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

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

(c) "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) an original, new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title ~~45~~ 42, section 262(a)(c).

(d) "Commissioner" means the commissioner of health.

(e) "Course of treatment" means the total dosage of a single prescription for a prescription drug recommended by the Food and Drug Administration (FDA)-approved prescribing label. If the FDA-approved prescribing label includes more than one recommended dosage for a single course of treatment, the course of treatment is the maximum recommended dosage on the FDA-approved prescribing label.

~~(e)~~ (f) "Generic drug" means a drug that is marketed or distributed pursuant to:

(1) an abbreviated new drug application approved under United States Code, title 21, section 355(j);

(2) an authorized generic as defined under Code of Federal Regulations, title ~~45~~ 42, section 447.502; or

(3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

~~(f)~~ (g) "Manufacturer" means a drug manufacturer licensed under section 151.252.

(h) "National Drug Code" means the three-segment code maintained by the FDA that includes a labeler code, a product code, and a package code for a drug product and that has been converted to an 11-digit format consisting of five digits in the first segment, four digits in the second segment, and two digits in the third segment. A three-segment code shall be considered converted to an 11-digit format when, as necessary, at least one "0" has been added to the front of each segment containing less than the specified number of digits so that each segment contains the specified number of digits.

~~(g)~~ (i) "New prescription drug" or "new drug" means a prescription drug approved for marketing by the United States Food and Drug Administration for which no previous wholesale acquisition cost has been established for comparison.

~~(h)~~ (j) "Patient assistance program" means a program that a manufacturer offers to the public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other means.

~~(i)~~ (k) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision 8.

~~(j)~~ (l) "Price" means the wholesale acquisition cost as defined in United States Code, title 42, section 1395w-3a(c)(6)(B).

(m) "Rebate" means a discount, chargeback, or other price concession that affects the price of a prescription drug product, regardless of whether conferred through regular aggregate payments, on a claim-by-claim basis at the point of sale, as part of retrospective financial reconciliations including reconciliations that also reflect other contractual arrangements, or by any other method. Rebate does not mean a bona fide service fee, as the term is defined in Code of Federal Regulations, title 42, section 447.502.

(n) "30-day supply" means the total daily dosage units of a prescription drug recommended by the prescribing label approved by the FDA for 30 days. If the FDA-approved prescribing label includes more than one recommended daily dosage, the 30-day supply is based on the maximum recommended daily dosage on the FDA-approved prescribing label.

Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022, a drug manufacturer must submit to the commissioner the information described in paragraph (b) for each prescription drug for which the price was $100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

(1) for brand name drugs where there is an increase of ten percent or greater in the price over the previous 12-month period or an increase of 16 percent or greater in the price over the previous 24-month period; and

(2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in the price over the previous 12-month period.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the price increase goes into effect, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the name, description, and price of the drug and the net increase, expressed as a percentage~~;~~, with the following listed separately:

(i) National Drug Code;

(ii) product name;

(iii) dosage form;

(iv) strength; and

(v) package size;

(2) the factors that contributed to the price increase;

(3) the name of any generic version of the prescription drug available on the market;

(4) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the price increase when it was approved for marketing by the Food and Drug Administration and the net yearly increase, by calendar year, in the price of the prescription drug during the previous five years;

(5) the direct costs incurred during the previous 12-month period by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(6) the number of units of the prescription drug sold during the previous 12-month period;

(7) the total rebate payable amount accrued for the prescription drug during the previous 12-month period;

~~(6)~~ (8) the total sales revenue for the prescription drug during the previous 12-month period;

~~(7)~~ (9) the manufacturer's net profit attributable to the prescription drug during the previous 12-month period;

~~(8)~~ (10) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the previous 12-month period, if applicable;

~~(9)~~ (11) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

~~(10)~~ (12) the patent expiration date of the prescription drug if it is under patent;

~~(11)~~ (13) the name and location of the company that manufactured the drug; ~~and~~

~~(12)~~ (14) if a brand name prescription drug, the ten highest prices paid for the prescription drug during the previous calendar year in ~~any country other than~~ the ten countries, excluding the United States~~.~~, that charged the highest single price for the prescription drug; and

(15) if the prescription drug was acquired by the manufacturer during the previous 12-month period, all of the following information:

(i) price at acquisition;

(ii) price in the calendar year prior to acquisition;

(iii) name of the company from which the drug was acquired;

(iv) date of acquisition; and

(v) acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Subd. 4. **New prescription drug price reporting.** (a) Beginning January 1, 2022, no later than 60 days after a manufacturer introduces a new prescription drug for sale in the United States that is a new brand name drug with a price that is greater than the tier threshold established by the Centers for Medicare and Medicaid Services for specialty drugs in the Medicare Part D program for a 30-day supply or for a course of treatment lasting less than 30 days or a new generic or biosimilar drug with a price that is greater than the tier threshold established by the Centers for Medicare and Medicaid Services for specialty drugs in the Medicare Part D program for a 30-day supply or for a course of treatment lasting less than 30 days and is not at least 15 percent lower than the referenced brand name drug when the generic or biosimilar drug is launched, the manufacturer must submit to the commissioner, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the description of the drug, with the following listed separately:

(i) National Drug Code;

(ii) product name;

(iii) dosage form;

(iv) strength; and

(v) package size

~~(1)~~ (2) the price of the prescription drug;

~~(2)~~ (3) whether the Food and Drug Administration granted the new prescription drug a breakthrough therapy designation or a priority review;

~~(3)~~ (4) the direct costs incurred by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug; and

~~(4)~~ (5) the patent expiration date of the drug if it is under patent.

(b) The manufacturer may submit documentation necessary to support the information reported under this subdivision.

Subd. 5. **Newly acquired prescription drug price reporting.** (a) Beginning January 1, 2022, the acquiring drug manufacturer must submit to the commissioner the information described in paragraph (b) for each newly acquired prescription drug for which the price was $100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

(1) for a newly acquired brand name drug where there is an increase of ten percent or greater in the price over the previous 12-month period or an increase of 16 percent or greater in price over the previous 24-month period; and

(2) for a newly acquired generic or biosimilar drug where there is an increase of 50 percent or greater in the price over the previous 12-month period.

(b) For each of the drugs described in paragraph (a), the acquiring manufacturer shall submit to the commissioner no later than 60 days after the acquiring manufacturer begins to sell the newly acquired drug, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the description of the drug, with the following listed separately:

(i) National Drug Code;

(ii) product name;

(iii) dosage form;

(iv) strength; and

(v) package size

~~(1)~~ (2) the price of the prescription drug at the time of acquisition and in the calendar year prior to acquisition;

~~(2)~~ (3) the name of the company from which the prescription drug was acquired, the date acquired, and the purchase price;

~~(3)~~ (4) the year the prescription drug was introduced to market and the price of the prescription drug at the time of introduction;

~~(4)~~ (5) the price of the prescription drug for the previous five years;

~~(5)~~ (6) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the manufacturer's drug; and

~~(6)~~ (7) the patent expiration date of the drug if it is under patent.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner shall post on the department's website, or may contract with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the following information:

(1) a list of the prescription drugs reported under subdivisions 3, 4, and 5, and the manufacturers of those prescription drugs; and

(2) information reported to the commissioner under subdivisions 3, 4, and 5.

(b) The information must be published in an easy-to-read format and in a manner that identifies the information that is disclosed on a per-drug basis and must not be aggregated in a manner that prevents the identification of the prescription drug.

(c) The commissioner shall not post to the department's website or a private entity contracting with the commissioner shall not post any information described in this section if the information is not public data under section 13.02, subdivision 8a; or is trade secret information under section 13.37, subdivision 1, paragraph (b); or is trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended. If a manufacturer believes information should be withheld from public disclosure pursuant to this paragraph, the manufacturer must clearly and specifically identify that information and describe the legal basis in writing when the manufacturer submits the information under this section. If the commissioner disagrees with the manufacturer's request to withhold information from public disclosure, the commissioner shall provide the manufacturer written notice that the information will be publicly posted 30 days after the date of the notice.

(d) If the commissioner withholds any information from public disclosure pursuant to this subdivision, the commissioner shall post to the department's website a report describing the nature of the information and the commissioner's basis for withholding the information from disclosure.

(e) To the extent the information required to be posted under this subdivision is collected and made available to the public by another state, by the University of Minnesota, or through an online drug pricing reference and analytical tool, the commissioner may reference the availability of this drug price data from another source including, within existing appropriations, creating the ability of the public to access the data from the source for purposes of meeting the reporting requirements of this subdivision.

Subd. 7. **Consultation.** (a) The commissioner may consult with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, the University of Minnesota, or the commissioner of commerce, as appropriate, in issuing the form and format of the information reported under this section; in posting information pursuant to subdivision 6; and in taking any other action for the purpose of implementing this section.

(b) The commissioner may consult with representatives of the manufacturers to establish a standard format for reporting information under this section and may use existing reporting methodologies to establish a standard format to minimize administrative burdens to the state and manufacturers.

Subd. 8. **Enforcement and penalties.** (a) A manufacturer may be subject to a civil penalty, as provided in paragraph (b), for:

(1) failing to submit timely reports or notices as required by this section;

(2) failing to provide information required under this section; or

(3) providing inaccurate or incomplete information under this section.

(b) The commissioner shall adopt a schedule of civil penalties, not to exceed $10,000 per day of violation, based on the severity of each violation.

(c) The commissioner shall impose civil penalties under this section as provided in section 144.99, subdivision 4.

(d) The commissioner may remit or mitigate civil penalties under this section upon terms and conditions the commissioner considers proper and consistent with public health and safety.

(e) Civil penalties collected under this section shall be deposited in the health care access fund.

Subd. 9. **Legislative report.** (a) No later than May 15, 2022, and by January 15 of each year thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and human services policy and finance on the implementation of this section, including but not limited to the effectiveness in addressing the following goals:

(1) promoting transparency in pharmaceutical pricing for the state and other payers;

(2) enhancing the understanding on pharmaceutical spending trends; and

(3) assisting the state and other payers in the management of pharmaceutical costs.

(b) The report must include a summary of the information submitted to the commissioner under subdivisions 3, 4, and 5.

Sec. 5. Minnesota Statutes 2020, section 62J.84, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section and section 62J.841, the terms defined in this subdivision have the meanings given.

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

(c) "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) an original, new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title 45, section 262(a)(c).

(d) "Commissioner" means the commissioner of health.

(e) "Generic drug" means a drug that is marketed or distributed pursuant to:

(1) an abbreviated new drug application approved under United States Code, title 21, section 355(j);

(2) an authorized generic as defined under Code of Federal Regulations, title 45, section 447.502; or

(3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

(f) "Manufacturer" means a drug manufacturer licensed under section 151.252, but does not include an entity required to be licensed under that section solely because the entity repackages or relabels drugs.

(g) "New prescription drug" or "new drug" means a prescription drug approved for marketing by the United States Food and Drug Administration for which no previous wholesale acquisition cost has been established for comparison.

(h) "Patient assistance program" means a program that a manufacturer offers to the public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other means.

(i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision 8.

(j) "Price" means the wholesale acquisition cost as defined in United States Code, title 42, section 1395w-3a(c)(6)(B).

Sec. 6. Minnesota Statutes 2020, section 62J.84, subdivision 2, is amended to read:

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

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

(c) "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) an original, new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title 45, section 262(a)(c).

(d) "Commissioner" means the commissioner of health.

(e) "Drug product family" means a group of one or more prescription drugs that share a unique generic drug description or nontrade name and dosage form.

~~(e)~~ (f) "Generic drug" means a drug that is marketed or distributed pursuant to:

(1) an abbreviated new drug application approved under United States Code, title 21, section 355(j);

(2) an authorized generic as defined under Code of Federal Regulations, title 45, section 447.502; or

(3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

~~(f)~~ (g) "Manufacturer" means a drug manufacturer licensed under section 151.252.

~~(g)~~ (h) "New prescription drug" or "new drug" means a prescription drug approved for marketing by the United States Food and Drug Administration for which no previous wholesale acquisition cost has been established for comparison.

~~(h)~~ (i) "Patient assistance program" means a program that a manufacturer offers to the public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other means.

(j) "Pharmacy" or "pharmacy provider" means a place of business licensed by the Board of Pharmacy under section 151.19 in which prescription drugs are prepared, compounded, or dispensed under the supervision of a pharmacist.

(k) "Pharmacy benefits manager (PBM)" means an entity licensed to act as a pharmacy benefits manager under section 62W.03.

~~(i)~~ (l) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision 8.

~~(j)~~ (m) "Price" means the wholesale acquisition cost as defined in United States Code, title 42, section 1395w-3a(c)(6)(B).

(n) "Pricing Unit" means the smallest dispensable amount of a prescription drug product that could be dispensed.

(o) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefits manager, wholesale drug distributor, or any other entity required to submit data under this section.

(p) "Wholesale drug distributor" or "wholesaler" means an entity that:

(1) is licensed to act as a wholesale drug distributor under section 151.47; and

(2) distributes prescription drugs, of which it is not the manufacturer, to persons or entities other than a consumer or patient in the state.

Sec. 7. Minnesota Statutes 2021 Supplement, section 62J.84, subdivision 6, is amended to read:

Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner shall post on the department's website, or may contract with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the following information:

(1) a list of the prescription drugs reported under subdivisions 3, 4, and 5, and the manufacturers of those prescription drugs; ~~and~~

(2) information reported to the commissioner under subdivisions 3, 4, and 5~~.~~; and

(3) information reported to the commissioner under section 62J.841, subdivision 2.

(b) The information must be published in an easy-to-read format and in a manner that identifies the information that is disclosed on a per-drug basis and must not be aggregated in a manner that prevents the identification of the prescription drug.

(c) The commissioner shall not post to the department's website or a private entity contracting with the commissioner shall not post any information described in this section if the information is not public data under section 13.02, subdivision 8a; or is trade secret information under section 13.37, subdivision 1, paragraph (b), subject to section 62J.841, subdivision 2, paragraph (e); or is trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended, subject to section 62J.841, subdivision 2, paragraph (e). If a manufacturer believes information should be withheld from public disclosure pursuant to this paragraph, the manufacturer must clearly and specifically identify that information and describe the legal basis in writing when the manufacturer submits the information under this section. If the commissioner disagrees with the manufacturer's request to withhold information from public disclosure, the commissioner shall provide the manufacturer written notice that the information will be publicly posted 30 days after the date of the notice.

(d) If the commissioner withholds any information from public disclosure pursuant to this subdivision, the commissioner shall post to the department's website a report describing the nature of the information and the commissioner's basis for withholding the information from disclosure.

(e) To the extent the information required to be posted under this subdivision is collected and made available to the public by another state, by the University of Minnesota, or through an online drug pricing reference and analytical tool, the commissioner may reference the availability of this drug price data from another source including, within existing appropriations, creating the ability of the public to access the data from the source for purposes of meeting the reporting requirements of this subdivision.

Sec. 8. Minnesota Statutes 2021 Supplement, section 62J.84, subdivision 6, is amended to read:

Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner shall post on the department's website, or may contract with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the following information:

(1) a list of the prescription drugs reported under subdivisions 3, 4, ~~and~~ 5, 11, 12, 13, and 14 and the manufacturers of those prescription drugs; and

(2) information reported to the commissioner under subdivisions 3, 4, ~~and~~ 5, 11, 12, 13, and 14.

(b) The information must be published in an easy-to-read format and in a manner that identifies the information that is disclosed on a per-drug basis and must not be aggregated in a manner that prevents the identification of the prescription drug.

(c) The commissioner shall not post to the department's website or a private entity contracting with the commissioner shall not post any information described in this section if the information is not public data under section 13.02, subdivision 8a; or is trade secret information under section 13.37, subdivision 1, paragraph (b); or is trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended. If a manufacturer believes information should be withheld from public disclosure pursuant to this paragraph, the manufacturer must clearly and specifically identify that information and describe the legal basis in writing when the manufacturer submits the information under this section. If the commissioner disagrees with the manufacturer's request to withhold information from public disclosure, the commissioner shall provide the manufacturer written notice that the information will be publicly posted 30 days after the date of the notice.

(d) If the commissioner withholds any information from public disclosure pursuant to this subdivision, the commissioner shall post to the department's website a report describing the nature of the information and the commissioner's basis for withholding the information from disclosure.

(e) To the extent the information required to be posted under this subdivision is collected and made available to the public by another state, by the University of Minnesota, or through an online drug pricing reference and analytical tool, the commissioner may reference the availability of this drug price data from another source including, within existing appropriations, creating the ability of the public to access the data from the source for purposes of meeting the reporting requirements of this subdivision.

Sec. 9. Minnesota Statutes 2020, section 62J.84, subdivision 7, is amended to read:

Subd. 7. **Consultation.** (a) The commissioner may consult with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, the University of Minnesota, or the commissioner of commerce, as appropriate, in issuing the form and format of the information reported under this section and section 62J.841; in posting information pursuant to subdivision 6; and in taking any other action for the purpose of implementing this section and section 62J.841.

(b) The commissioner may consult with representatives of the manufacturers to establish a standard format for reporting information under this section and section 62J.841 and may use existing reporting methodologies to establish a standard format to minimize administrative burdens to the state and manufacturers.

Sec. 10. Minnesota Statutes 2020, section 62J.84, subdivision 7, is amended to read:

Subd. 7. **Consultation.** (a) The commissioner may consult with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, the University of Minnesota, or the commissioner of commerce, as appropriate, in issuing the form and format of the information reported under this section; in posting information pursuant to subdivision 6; and in taking any other action for the purpose of implementing this section.

(b) The commissioner may consult with representatives of the ~~manufacturers~~ reporting entities to establish a standard format for reporting information under this section and may use existing reporting methodologies to establish a standard format to minimize administrative burdens to the state and ~~manufacturers~~ reporting entities.

Sec. 11. Minnesota Statutes 2020, section 62J.84, subdivision 8, is amended to read:

Subd. 8. **Enforcement and penalties.** (a) A manufacturer may be subject to a civil penalty, as provided in paragraph (b), for:

(1) failing to submit timely reports or notices as required by this section and section 62J.841;

(2) failing to provide information required under this section and section 62J.841; ~~or~~

(3) providing inaccurate or incomplete information under this section and section 62J.841; or

(4) failing to comply with section 62J.841, subdivisions 2, paragraph (e), and 4.

(b) The commissioner shall adopt a schedule of civil penalties, not to exceed $10,000 per day of violation, based on the severity of each violation.

(c) The commissioner shall impose civil penalties under this section and section 62J.841 as provided in section 144.99, subdivision 4.

(d) The commissioner may remit or mitigate civil penalties under this section and section 62J.481 upon terms and conditions the commissioner considers proper and consistent with public health and safety.

(e) Civil penalties collected under this section and section 62J.841 shall be deposited in the health care access fund.

Sec. 12. Minnesota Statutes 2020, section 62J.84, subdivision 8, is amended to read:

Subd. 8. **Enforcement and penalties.** (a) A ~~manufacturer~~ reporting entity may be subject to a civil penalty, as provided in paragraph (b), for:

(1) failing to register under subdivision 15;

~~(1)~~ (2) failing to submit timely reports or notices as required by this section;

~~(2)~~ (3) failing to provide information required under this section; or

~~(3)~~ (4) providing inaccurate or incomplete information under this section.

(b) The commissioner shall adopt a schedule of civil penalties, not to exceed $10,000 per day of violation, based on the severity of each violation.

(c) The commissioner shall impose civil penalties under this section as provided in section 144.99, subdivision 4.

(d) The commissioner may remit or mitigate civil penalties under this section upon terms and conditions the commissioner considers proper and consistent with public health and safety.

(e) Civil penalties collected under this section shall be deposited in the health care access fund.

Sec. 13. Minnesota Statutes 2021 Supplement, section 62J.84, subdivision 9, is amended to read:

Subd. 9. **Legislative report.** (a) No later than May 15, 2022, and by January 15 of each year thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and human services policy and finance on the implementation of this section and section 62J.841, including but not limited to the effectiveness in addressing the following goals:

(1) promoting transparency in pharmaceutical pricing for the state, health carriers, and other payers;

(2) enhancing the understanding on pharmaceutical spending trends; and

(3) assisting the state, health carriers, and other payers in the management of pharmaceutical costs and limiting formulary changes due to prescription drug cost increases during a coverage year.

(b) The report must include a summary of the information submitted to the commissioner under subdivisions 3, 4, and 5, and section 62J.841.

Sec. 14. Minnesota Statutes 2021 Supplement, section 62J.84, subdivision 9, is amended to read:

Subd. 9. **Legislative report.** (a) No later than May 15, 2022, and by January 15 of each year thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and human services policy and finance on the implementation of this section, including but not limited to the effectiveness in addressing the following goals:

(1) promoting transparency in pharmaceutical pricing for the state and other payers;

(2) enhancing the understanding on pharmaceutical spending trends; and

(3) assisting the state and other payers in the management of pharmaceutical costs.

(b) The report must include a summary of the information submitted to the commissioner under subdivisions 3, 4, ~~and~~ 5, 11, 12, 13, and 14.

Sec. 15. Minnesota Statutes 2020, section 62J.84, is amended by adding a subdivision to read:

Subd. 10. **Notice of prescription drugs of substantial public interest.** (a) No later than January 31, 2023, and quarterly thereafter, the commissioner shall produce and post on the department's website a list of prescription drugs that the department determines to represent a substantial public interest and for which the department intends to request data under subdivisions 11, 12, 13, and 14, subject to paragraph (c). The department shall base its inclusion of prescription drugs on any information the department determines is relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in the state, and the department shall consider drug product families that include prescription drugs:

(1) that triggered reporting under subdivisions 3, 4, or 5 during the previous calendar quarter;

(2) for which average claims paid amounts exceeded 125 percent of the price as of the claim incurred date during the most recent calendar quarter for which claims paid amounts are available; or

(3) that are identified by members of the public during a public comment period process.

(b) No sooner than 30 days after publicly posting the list of prescription drugs under paragraph (a), the department shall notify, via e-mail, reporting entities registered with the department of the requirement to report under subdivisions 11, 12, 13, and 14.

(c) No more than 500 prescription drugs may be designated as having a substantial public interest in any one notice.

Sec. 16. Minnesota Statutes 2020, section 62J.84, is amended by adding a subdivision to read:

Subd. 11. **Manufacturer prescription drug substantial public interest reporting.** (a) Beginning January 1, 2023, a manufacturer must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the manufacturer by the department under subdivision 10;

(2) which the manufacturer manufactures or repackages;

(3) for which the manufacturer sets the wholesale acquisition cost; and

(4) for which the manufacturer has not submitted data under subdivisions 3 or 5 during the 120-day period prior to the date of the notification to report.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) National Drug Code;

(ii) product name;

(iii) dosage form;

(iv) strength; and

(v) package size;

(2) the price of the drug product on the later of:

(i) the day one year prior to the date of the notification to report;

(ii) the introduced to market date; or

(iii) the acquisition date;

(3) the price of the drug product on the date of the notification to report;

(4) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the date of the notification to report;

(5) the direct costs incurred during the 12-month period prior to the date of the notification to report by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(6) the number of units of the prescription drug sold during the 12-month period prior to the date of the notification to report;

(7) the total sales revenue for the prescription drug during the 12-month period prior to the date of the notification to report;

(8) the total rebate payable amount accrued for the prescription drug during the 12-month period prior to the date of the notification to report;

(9) the manufacturer's net profit attributable to the prescription drug during the 12-month period prior to the date of the notification to report;

(10) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the 12-month period prior to the date of the notification to report, if applicable;

(11) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

(12) the patent expiration date of the prescription drug if it is under patent;

(13) the name and location of the company that manufactured the drug;

(14) if a brand name prescription drug, the ten countries other than the United States that paid the highest prices for the prescription drug during the previous calendar year and their prices; and

(15) if the prescription drug was acquired by the manufacturer within the 12-month period prior to the date of the notification to report, all of the following information:

(i) price at acquisition;

(ii) price in the calendar year prior to acquisition;

(iii) name of the company from which the drug was acquired;

(iv) date of acquisition; and

(v) acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 17. Minnesota Statutes 2020, section 62J.84, is amended by adding a subdivision to read:

Subd. 12. **Pharmacy prescription drug substantial public interest reporting.** (a) Beginning January 1, 2023, a pharmacy must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the pharmacy by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the commissioner no later than 60 days after the date of the notification to report in the form and manner prescribed by the commissioner the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) National Drug Code;

(ii) product name;

(iii) dosage form;

(iv) strength; and

(v) package size;

(2) the number of units of the drug acquired during the 12-month period prior to the date of the notification to report;

(3) the total spent before rebates by the pharmacy to acquire the drug during the 12-month period prior to the date of the notification to report;

(4) the total rebate receivable amount accrued by the pharmacy for the drug during the 12-month period prior to the date of the notification to report;

(5) the number of pricing units of the drug dispensed by the pharmacy during the 12-month period prior to the date of the notification to report;

(6) the total payment receivable by the pharmacy for dispensing the drug, including ingredient cost, dispensing fee, and administrative fees, during the 12-month period prior to the date of the notification to report;

(7) the total rebate payable amount accrued by the pharmacy for the drug during the 12-month period prior to the date of the notification to report; and

(8) the average cash price paid by consumers per pricing unit for prescriptions dispensed where no claim was submitted to a health care service plan or health insurer during the 12-month period prior to the date of the notification to report.

(c) The pharmacy may submit any documentation necessary to support the information reported under this subdivision.

Sec. 18. Minnesota Statutes 2020, section 62J.84, is amended by adding a subdivision to read:

Subd. 13. **Pharmacy benefit manager (PBM) prescription drug substantial public interest reporting.** (a) Beginning January 1, 2023, a PBM as defined in section 62W.02, subdivision 14, must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the PBM by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the PBM shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) National Drug Code;

(ii) product name;

(iii) dosage form;

(iv) strength; and

(v) package size;

(2) the number of pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(3) the total reimbursement amount accrued and payable to pharmacies for pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(4) the total reimbursement or administrative fee amount or both accrued and receivable from payers for pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(5) the total rebate receivable amount accrued by the PBM for the drug product during the 12-month period prior to the date of the notification to report; and

(6) the total rebate payable amount accrued by the PBM for the drug product during the 12-month period prior to the date of the notification to report.

(c) The PBM may submit any documentation necessary to support the information reported under this subdivision.

Sec. 19. Minnesota Statutes 2020, section 62J.84, is amended by adding a subdivision to read:

Subd. 14. **Wholesaler prescription drug substantial public interest reporting.** (a) Beginning January 1, 2023, a wholesaler must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the wholesaler by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the wholesaler shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) National Drug Code;

(ii) product name;

(iii) dosage form;

(iv) strength; and

(v) package size;

(2) the number of units of the drug product acquired by the wholesale drug distributor during the 12-month period prior to the date of the notification to report;

(3) the total spent before rebates by the wholesale drug distributor to acquire the drug product during the 12-month period prior to the date of the notification to report;

(4) the total rebate receivable amount accrued by the wholesale drug distributor for the drug product during the 12-month period prior to the date of the notification to report;

(5) the number of units of the drug product sold by the wholesale drug distributor during the 12-month period prior to the date of the notification to report;

(6) gross revenue from sales in the United States generated by the wholesale drug distributor for the drug product during the 12-month period prior to the date of the notification to report; and

(7) total rebate payable amount accrued by the wholesale drug distributor for the drug product during the 12-month period prior to the date of the notification to report.

(c) The wholesaler may submit any documentation necessary to support the information reported under this subdivision.

Sec. 20. Minnesota Statutes 2020, section 62J.84, is amended by adding a subdivision to read:

Subd. 15. **Registration requirement.** Beginning January 1, 2023, a reporting entity subject to this chapter shall register with the department in a form and manner prescribed by the commissioner.

Sec. 21. Minnesota Statutes 2020, section 62J.84, is amended by adding a subdivision to read:

Subd. 16. **Rulemaking.** For the purposes of this section, the commissioner may use the expedited rulemaking process under section 14.389.

Sec. 22. **[62J.841] REPORTING PRESCRIPTION DRUG PRICES; FORMULARY DEVELOPMENT AND PRICE STABILITY.**

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

(b) "Average wholesale price" means the customary reference price for sales by a drug wholesaler to a retail pharmacy, as established and published by the manufacturer.

(c) "National drug code" means the numerical code maintained by the United States Food and Drug Administration and includes the label code, product code, and package code.

(d) "Unit" has the meaning given in United States Code, title 42, section 1395w-3a(b)(2).

(e) "Wholesale acquisition cost" has the meaning given in United States Code, title 42, section 1395w-3a(c)(6)(B).

Subd. 2. **Price reporting.** (a) Beginning July 31, 2023, and by July 31 each year thereafter, a manufacturer must report to the commissioner the information in paragraph (b) for every drug with a wholesale acquisition cost of $100 or more for a 30-day supply or for a course of treatment lasting less than 30 days, as applicable to the next calendar year.

(b) A manufacturer shall report a drug's:

(1) national drug code, labeler code, and the manufacturer name associated with the labeler code;

(2) brand name, if applicable;

(3) generic name, if applicable;

(4) wholesale acquisition cost for one unit;

(5) measure that constitutes a wholesale acquisition cost unit;

(6) average wholesale price; and

(7) status as brand name or generic.

(c) The effective date of the information described in paragraph (b) must be included in the report to the commissioner.

(d) A manufacturer must report the information described in this subdivision in the form and manner specified by the commissioner.

(e) Information reported under this subdivision is classified as public data not on individuals, as defined in section 13.02, subdivision 14, and must not be classified by the manufacturer as trade secret information, as defined in section 13.37, subdivision 1, paragraph (b).

(f) A manufacturer's failure to report the information required by this subdivision is grounds for disciplinary action under section 151.071, subdivision 2.

Subd. 3. **Public posting of prescription drug price information.** By October 1 of each year, beginning October 1, 2023, the commissioner must post the information reported under subdivision 2 on the department website, as required by section 62J.84, subdivision 6.

Subd. 4. **Price change.** (a) If a drug subject to price reporting under subdivision 2 is included in the formulary of a health plan submitted to and approved by the commissioner of commerce for the next calendar year under section 62A.02, subdivision 1, the manufacturer may increase the wholesale acquisition cost of the drug for the next calendar year only after providing the commissioner with at least 90 days' written notice.

(b) A manufacturer's failure to meet the requirements of paragraph (a) is grounds for disciplinary action under section 151.071, subdivision 2.

Sec. 23. **[62J.841] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 62J.841 to 62J.845, the following definitions apply.

Subd. 2. **Consumer Price Index.** "Consumer Price Index" means the Consumer Price Index, Annual Average, for All Urban Consumers, CPI-U: U.S. City Average, All Items, reported by the United States Department of Labor, Bureau of Labor Statistics, or its successor or, if the index is discontinued, an equivalent index reported by a federal authority or, if no such index is reported, "Consumer Price Index" means a comparable index chosen by the Bureau of Labor Statistics.

Subd. 3. **Generic or off-patent drug.** "Generic or off-patent drug" means any prescription drug for which any exclusive marketing rights granted under the Federal Food, Drug, and Cosmetic Act; section 351 of the federal Public Health Service Act; and federal patent law have expired, including any drug-device combination product for the delivery of a generic drug.

Subd. 4. **Manufacturer.** "Manufacturer" has the meaning provided in section 151.01, subdivision 14a.

Subd. 5. **Prescription drug.** "Prescription drug" means a drug for human use subject to United States Code, title 21, section 353(b)(1).

Subd. 6. **Wholesale acquisition cost.** "Wholesale acquisition cost" has the meaning provided in United States Code, title 42, section 1395w-3a.

Subd. 7. **Wholesale distributor.** "Wholesale distributor" has the meaning provided in section 151.441, subdivision 14.

Sec. 24. **[62J.842] EXCESSIVE PRICE INCREASES PROHIBITED.**

Subdivision 1. **Prohibition.** No manufacturer shall impose, or cause to be imposed, an excessive price increase, whether directly or through a wholesale distributor, pharmacy, or similar intermediary, on the sale of any generic or off-patent drug sold, dispensed, or delivered to any consumer in the state.

Subd. 2. **Excessive price increase.** A price increase is excessive for purposes of this section when:

(1) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds:

(i) 15 percent of the wholesale acquisition cost over the immediately preceding calendar year; or

(ii) 40 percent of the wholesale acquisition cost over the immediately preceding three calendar years; and

(2) the price increase, adjusted for inflation utilizing the Consumer Price Index, exceeds $30 for:

(i) a 30-day supply of the drug; or

(ii) a course of treatment lasting less than 30 days.

Subd. 3. **Exemption.** It is not a violation of this section for a wholesale distributor or pharmacy to increase the price of a generic or off-patent drug if the price increase is directly attributable to additional costs for the drug imposed on the wholesale distributor or pharmacy by the manufacturer of the drug.

Sec. 25. **[62J.843] REGISTERED AGENT AND OFFICE WITHIN THE STATE.**

Any manufacturer that sells, distributes, delivers, or offers for sale any generic or off-patent drug in the state is required to maintain a registered agent and office within the state.

Sec. 26. **[62J.844] ENFORCEMENT.**

Subdivision 1. **Notification.** The commissioner of management and budget and any other state agency that provides or purchases a pharmacy benefit, except the Department of Human Services, and any entity under contract with a state agency to provide a pharmacy benefit other than an entity under contract with the Department of Human Services, shall notify the manufacturer of a generic or off-patent drug, the attorney general, and the Board of Pharmacy of any price increase in violation of section 62J.842.

Subd. 2. **Submission of drug cost statement and other information by manufacturer; investigation by attorney general.** (a) Within 45 days of receiving a notice under subdivision 1, the manufacturer of the generic or off-patent drug shall submit a drug cost statement to the attorney general. The statement must:

(1) itemize the cost components related to production of the drug;

(2) identify the circumstances and timing of any increase in materials or manufacturing costs that caused any increase during the preceding calendar year, or preceding three calendar years as applicable, in the price of the drug; and

(3) provide any other information that the manufacturer believes to be relevant to a determination of whether a violation of section 62J.842 has occurred.

(b) The attorney general may investigate whether a violation of section 62J.842 has occurred, is occurring, or is about to occur, in accordance with section 8.31, subdivision 2.

Subd. 3. **Petition to court.** (a) On petition of the attorney general, a court may issue an order:

(1) compelling the manufacturer of a generic or off-patent drug to:

(i) provide the drug cost statement required under subdivision 2, paragraph (a); and

(ii) answer interrogatories, produce records or documents, or be examined under oath, as required by the attorney general under subdivision 2, paragraph (b);

(2) restraining or enjoining a violation of sections 62J.841 to 62J.845, including issuing an order requiring that drug prices be restored to levels that comply with section 62J.842;

(3) requiring the manufacturer to provide an accounting to the attorney general of all revenues resulting from a violation of section 62J.842;

(4) requiring the manufacturer to repay to all consumers, including any third-party payers, any money acquired as a result of a price increase that violates section 62J.842;

(5) notwithstanding section 16A.151, if a manufacturer is unable to determine the individual transactions necessary to provide the repayments described in clause (4), requiring that all revenues generated from a violation of section 62J.842 be remitted to the state and deposited into a special fund to be used for initiatives to reduce the cost to consumers of acquiring prescription drugs;

(6) imposing a civil penalty of up to $10,000 per day for each violation of section 62J.842;

(7) providing for the attorney general's recovery of its costs and disbursements incurred in bringing an action against a manufacturer found in violation of section 62J.842, including the costs of investigation and reasonable attorney's fees; and

(8) providing any other appropriate relief, including any other equitable relief as determined by the court.

(b) For purposes of paragraph (a), clause (6), every individual transaction in violation of section 62J.842 must be considered a separate violation.

Subd. 4. **Private right of action.** Any action brought pursuant to section 8.31, subdivision 3a, by a person injured by a violation of this section is for the benefit of the public.

Sec. 27. **[62J.845] PROHIBITION ON WITHDRAWAL OF GENERIC OR OFF-PATENT DRUGS FOR SALE.**

Subdivision 1. **Prohibition.** A manufacturer of a generic or off-patent drug is prohibited from withdrawing that drug from sale or distribution within this state for the purpose of avoiding the prohibition on excessive price increases under section 62J.842.

Subd. 2. **Notice to board and attorney general.** Any manufacturer that intends to withdraw a generic or off-patent drug from sale or distribution within the state shall provide a written notice of withdrawal to the Board of Pharmacy and the attorney general at least 180 days prior to the withdrawal.

Subd. 3. **Financial penalty.** The attorney general shall assess a penalty of $500,000 on any manufacturer of a generic or off-patent drug that it determines has failed to comply with the requirements of this section.

Sec. 28. **[62J.846] SEVERABILITY.**

If any provision of sections 62J.841 to 62J.845 or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of sections 62J.841 to 62J.845 that can be given effect without the invalid provision or application.

Sec. 29. **[62J.85] CITATION.**

Sections 62J.85 to 62J.95 may be cited as the "Prescription Drug Affordability Act."

Sec. 30. **[62J.86] DEFINITIONS.**

Subdivision 1. **Definitions.** For the purposes of sections 62J.85 to 62J.95, the following terms have the meanings given.

Subd. 2. **Advisory council.** "Advisory council" means the Prescription Drug Affordability Advisory Council established under section 62J.88.

Subd. 3. **Biologic.** "Biologic" means a drug that is produced or distributed in accordance with a biologics license application approved under Code of Federal Regulations, title 42, section 447.502.

Subd. 4. **Biosimilar.** "Biosimilar" has the meaning provided in section 62J.84, subdivision 2, paragraph (b).

Subd. 5. **Board.** "Board" means the Prescription Drug Affordability Board established under section 62J.87.

Subd. 6. **Brand name drug.** "Brand name drug" has the meaning provided in section 62J.84, subdivision 2, paragraph (c).

Subd. 7. **Generic drug.** "Generic drug" has the meaning provided in section 62J.84, subdivision 2, paragraph (e).

Subd. 8. **Group purchaser.** "Group purchaser" has the meaning given in section 62J.03, subdivision 6, and includes pharmacy benefit managers as defined in section 62W.02, subdivision 15.

Subd. 9. **Manufacturer.** "Manufacturer" means an entity that:

(1) engages in the manufacture of a prescription drug product or enters into a lease with another manufacturer to market and distribute a prescription drug product under the entity's own name; and

(2) sets or changes the wholesale acquisition cost of the prescription drug product it manufacturers or markets.

Subd. 10. **Prescription drug product.** "Prescription drug product" means a brand name drug, a generic drug, a biologic, or a biosimilar.

Subd. 11. **Wholesale acquisition cost or WAC.** "Wholesale acquisition cost" or "WAC" has the meaning given in United States Code, title 42, section 1395W-3a(c)(6)(B).

Sec. 31. **[62J.87] PRESCRIPTION DRUG AFFORDABILITY BOARD.**

Subdivision 1. **Establishment.** The commissioner of commerce shall establish the Prescription Drug Affordability Board, which shall be governed as a board under section 15.012, paragraph (a), to protect consumers, state and local governments, health plan companies, providers, pharmacies, and other health care system stakeholders from unaffordable costs of certain prescription drugs.

Subd. 2. **Membership.** (a) The Prescription Drug Affordability Board consists of nine members appointed as follows:

(1) seven voting members appointed by the governor;

(2) one nonvoting member appointed by the majority leader of the senate; and

(3) one nonvoting member appointed by the speaker of the house.

(b) All members appointed must have knowledge and demonstrated expertise in pharmaceutical economics and finance or health care economics and finance. A member must not be an employee of, a board member of, or a consultant to a manufacturer or trade association for manufacturers or a pharmacy benefit manager or trade association for pharmacy benefit managers.

(c) Initial appointments must be made by January 1, 2023.

Subd. 3. **Terms.** (a) Board appointees shall serve four-year terms, except that initial appointees shall serve staggered terms of two, three, or four years as determined by lot by the secretary of state. A board member shall serve no more than two consecutive terms.

(b) A board member may resign at any time by giving written notice to the board.

Subd. 4. **Chair; other officers.** (a) The governor shall designate an acting chair from the members appointed by the governor. The acting chair shall convene the first meeting of the board.

(b) The board shall elect a chair to replace the acting chair at the first meeting of the board by a majority of the members. The chair shall serve for one year.

(c) The board shall elect a vice-chair and other officers from its membership as it deems necessary.

Subd. 5. **Staff; technical assistance.** (a) The board shall hire an executive director and other staff, who shall serve in the unclassified service. The executive director must have knowledge and demonstrated expertise in pharmacoeconomics, pharmacology, health policy, health services research, medicine, or a related field or discipline. The board may employ or contract for professional and technical assistance as the board deems necessary to perform the board's duties.

(b) The attorney general shall provide legal services to the board.

Subd. 6. **Compensation.** The board members shall not receive compensation but may receive reimbursement for expenses as authorized under section 15.059, subdivision 3.

Subd. 7. **Meetings.** (a) Meetings of the board are subject to chapter 13D. The board shall meet publicly at least every three months to review prescription drug product information submitted to the board under section 62J.90. If there are no pending submissions, the chair of the board may cancel or postpone the required meeting. The board may meet in closed session when reviewing proprietary information as determined under the standards developed in accordance with section 62J.91, subdivision 4.

(b) The board shall announce each public meeting at least two weeks prior to the scheduled date of the meeting. Any materials for the meeting must be made public at least one week prior to the scheduled date of the meeting.

(c) At each public meeting, the board shall provide the opportunity for comments from the public, including the opportunity for written comments to be submitted to the board prior to a decision by the board.

Sec. 32. **[62J.88] PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL.**

Subdivision 1. **Establishment.** The governor shall appoint a 12-member stakeholder advisory council to provide advice to the board on drug cost issues and to represent stakeholders' views. The members of the advisory council shall be appointed based on their knowledge and demonstrated expertise in one or more of the following areas: the pharmaceutical business; practice of medicine; patient perspectives; health care cost trends and drivers; clinical and health services research; and the health care marketplace.

Subd. 2. **Membership.** The council's membership shall consist of the following:

(1) two members representing patients and health care consumers;

(2) two members representing health care providers;

(3) one member representing health plan companies;

(4) two members representing employers, with one member representing large employers and one member representing small employers;

(5) one member representing government employee benefit plans;

(6) one member representing pharmaceutical manufacturers;

(7) one member who is a health services clinical researcher;

(8) one member who is a pharmacologist; and

(9) one member representing the commissioner of health with expertise in health economics.

Subd. 3. **Terms.** (a) The initial appointments to the advisory council must be made by January 1, 2023. The initial appointed advisory council members shall serve staggered terms of two, three, or four years determined by lot by the secretary of state. Following the initial appointments, the advisory council members shall serve four-year terms.

(b) Removal and vacancies of advisory council members are governed by section 15.059.

Subd. 4. **Compensation.** Advisory council members may be compensated according to section 15.059.

Subd. 5. **Meetings.** Meetings of the advisory council are subject to chapter 13D. The advisory council shall meet publicly at least every three months to advise the board on drug cost issues related to the prescription drug product information submitted to the board under section 62J.90.

Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council shall not expire.

Sec. 33. **[62J.89] CONFLICTS OF INTEREST.**

Subdivision 1. **Definition.** (a) For purposes of this section, "conflict of interest" means a financial or personal association that has the potential to bias or have the appearance of biasing a person's decisions in matters related to the board or the advisory council, or in the conduct of the board's or council's activities.

(b) A conflict of interest includes any instance in which a person or a person's immediate family member has received or could receive a direct or indirect financial benefit of any amount deriving from the result or findings of a decision or determination of the board.

(c) For purposes of this section, a person's immediate family member includes a spouse, parent, child, or other legal dependent, or an in-law of any of the preceding individuals.

(d) For purposes of this section, a financial benefit includes honoraria, fees, stock, the value of stock holdings, and any direct financial benefit deriving from the finding of a review conducted under sections 62J.85 to 62J.95.

(e) Ownership of securities is not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered by an independent trustee.

Subd. 2. **General.** (a) A board or advisory council member, board staff member, or third-party contractor must disclose any conflicts of interest to the appointing authority or the board prior to the acceptance of an appointment, an offer of employment, or a contractual agreement. The information disclosed must include the type, nature, and magnitude of the interests involved.

(b) A board member, board staff member, or third-party contractor with a conflict of interest relating to any prescription drug product under review must recuse themselves from any discussion, review, decision, or determination made by the board relating to the prescription drug product.

(c) Any conflict of interest must be disclosed in advance of the first meeting after the conflict is identified or within five days after the conflict is identified, whichever is earlier.

Subd. 3. **Prohibitions.** Board members, board staff, or third-party contractors are prohibited from accepting gifts, bequeaths, or donations of services or property that raise the specter of a conflict of interest or have the appearance of injecting bias into the activities of the board.

Sec. 34. **[62J.90] PRESCRIPTION DRUG PRICE INFORMATION; DECISION TO CONDUCT COST REVIEW.**

Subdivision 1. **Drug price information from the commissioner of health and other sources.** (a) The commissioner of health shall provide to the board the information reported to the commissioner by drug manufacturers under section 62J.84, subdivisions 3, 4, and 5. The commissioner shall provide this information to the board within 30 days of the date the information is received from drug manufacturers.

(b) The board shall subscribe to one or more prescription drug pricing files, such as Medispan or FirstDatabank, or as otherwise determined by the board.

Subd. 2. **Identification of certain prescription drug products.** (a) The board, in consultation with the advisory council, shall identify the following prescription drug products:

(1) brand name drugs or biologics for which the WAC increases by more than ten percent or by more than $10,000 during any 12-month period or course of treatment if less than 12 months, after adjusting for changes in the consumer price index (CPI);

(2) brand name drugs or biologics introduced at a WAC of $30,000 or more per calendar year or per course of treatment;

(3) biosimilar drugs introduced at a WAC that is not at least 15 percent lower than the referenced brand name biologic at the time the biosimilar is introduced; and

(4) generic drugs for which the WAC:

(i) is $100 or more, after adjusting for changes in the CPI, for:

(A) a 30-day supply lasting a patient for a period of 30 consecutive days based on the recommended dosage approved for labeling by the United States Food and Drug Administration (FDA);

(B) a supply lasting a patient for fewer than 30 days based on recommended dosage approved for labeling by the FDA; or

(C) one unit of the drug if the labeling approved by the FDA does not recommend a finite dosage; and

(ii) has increased by 200 percent or more during the immediate preceding 12-month period, as determined by the difference between the resulting WAC and the average of the WAC reported over the preceding 12 months, after adjusting for changes in the CPI.

(b) The board, in consultation with the advisory council, shall identify prescription drug products not described in paragraph (a) that may impose costs that create significant affordability challenges for the state health care system or for patients, including but not limited to drugs to address public health emergencies.

(c) The board shall make available to the public the names and related price information of the prescription drug products identified under this subdivision, with the exception of information determined by the board to be proprietary under the standards developed by the board under section 62J.91, subdivision 4.

Subd. 3. **Determination to proceed with review.** (a) The board may initiate a cost review of a prescription drug product identified by the board under this section.

(b) The board shall consider requests by the public for the board to proceed with a cost review of any prescription drug product identified under this section.

(c) If there is no consensus among the members of the board on whether or not to initiate a cost review of a prescription drug product, any member of the board may request a vote to determine whether or not to review the cost of the prescription drug product.

Sec. 35. **[62J.91] PRESCRIPTION DRUG PRODUCT REVIEWS.**

Subdivision 1. **General.** Once the board decides to proceed with a cost review of a prescription drug product, the board shall conduct the review and make a determination as to whether appropriate utilization of the prescription drug under review, based on utilization that is consistent with the United States Food and Drug Administration (FDA) label or standard medical practice, has led or will lead to affordability challenges for the state health care system or for patients.

Subd. 2. **Review considerations.** In reviewing the cost of a prescription drug product, the board may consider the following factors:

(1) the price at which the prescription drug product has been and will be sold in the state;

(2) the average monetary price concession, discount, or rebate the manufacturer provides to a group purchaser in this state as reported by the manufacturer and the group purchaser, expressed as a percent of the WAC for the prescription drug product under review;

(3) the price at which therapeutic alternatives have been or will be sold in the state;

(4) the average monetary price concession, discount, or rebate the manufacturer provides or is expected to provide to a group purchaser or group purchasers in the state for therapeutic alternatives;

(5) the cost to group purchasers based on patient access consistent with the FDA-labeled indications;

(6) the impact on patient access resulting from the cost of the prescription drug product relative to insurance benefit design;

(7) the current or expected dollar value of drug-specific patient access programs supported by manufacturers;

(8) the relative financial impacts to health, medical, or other social services costs that can be quantified and compared to baseline effects of existing therapeutic alternatives;

(9) the average patient co-pay or other cost-sharing for the prescription drug product in the state;

(10) any information a manufacturer chooses to provide; and

(11) any other factors as determined by the board.

Subd. 3. **Further review factors.** If, after considering the factors described in subdivision 2, the board is unable to determine whether a prescription drug product will produce or has produced an affordability challenge, the board may consider:

(1) manufacturer research and development costs, as indicated on the manufacturer's federal tax filing for the most recent tax year, in proportion to the manufacturer's sales in the state;

(2) the portion of direct-to-consumer marketing costs eligible for favorable federal tax treatment in the most recent tax year that is specific to the prescription drug product under review, multiplied by the ratio of total manufacturer in-state sales to total manufacturer sales in the United States for the product under review;

(3) gross and net manufacturer revenues for the most recent tax year;

(4) any information and research related to the manufacturer's selection of the introductory price or price increase, including but not limited to:

(i) life cycle management;

(ii) market competition and context; and

(iii) projected revenue; and

(5) any additional factors determined by the board to be relevant.

Subd. 4. **Public data; proprietary information.** (a) Any submission made to the board related to a drug cost review must be made available to the public with the exception of information determined by the board to be proprietary.

(b) The board shall establish the standards for the information to be considered proprietary under paragraph (a) and section 62J.90, subdivision 2, including standards for heightened consideration of proprietary information for submissions for a cost review of a drug that is not yet approved by the FDA.

(c) Prior to the board establishing the standards under paragraph (b), the public must be provided notice and the opportunity to submit comments.

Sec. 36. **[62J.92] DETERMINATIONS; COMPLIANCE; REMEDIES.**

Subdivision 1. **Upper payment limit.** (a) In the event the board finds that the spending on a prescription drug product reviewed under section 62J.91 creates an affordability challenge for the state health care system or for patients, the board shall establish an upper payment limit after considering:

(1) the cost of administering the drug;

(2) the cost of delivering the drug to consumers;

(3) the range of prices at which the drug is sold in the United States according to one or more pricing files accessed under section 62J.90, subdivision 1, and the range at which pharmacies are reimbursed in Canada; and

(4) any other relevant pricing and administrative cost information for the drug.

(b) The upper payment limit must apply to all public and private purchases, payments, and payer reimbursements for the prescription drug products received by an individual in the state in person, by mail, or by other means.

Subd. 2. **Noncompliance.** (a) The failure of an entity to comply with an upper payment limit established by the board under this section shall be referred to the Office of the Attorney General.

(b) If the Office of the Attorney General finds that an entity was noncompliant with the upper payment limit requirements, the attorney general may pursue remedies consistent with chapter 8 or appropriate criminal charges if there is evidence of intentional profiteering.

(c) An entity that obtains price concessions from a drug manufacturer that result in a lower net cost to the stakeholder than the upper payment limit established by the board must not be considered to be in noncompliance.

(d) The Office of the Attorney General may provide guidance to stakeholders concerning activities that could be considered noncompliant.

Subd. 3. **Appeals.** (a) Persons affected by a decision of the board may request an appeal of the board's decision within 30 days of the date of the decision. The board shall hear the appeal and render a decision within 60 days of the hearing.

(b) All appeal decisions are subject to judicial review in accordance with chapter 14.

Sec. 37. **[62J.93] REPORTS.**

Beginning March 1, 2023, and each March 1 thereafter, the board shall submit a report to the governor and legislature on general price trends for prescription drug products and the number of prescription drug products that were subject to the board's cost review and analysis, including the result of any analysis and the number and disposition of appeals and judicial reviews.

Sec. 38. **[62J.94] ERISA PLANS AND MEDICARE DRUG PLANS.**

(a) Nothing in sections 62J.85 to 62J.95 shall be construed to require ERISA plans or Medicare Part D plans to comply with decisions of the board. ERISA plans or Medicare Part D plans may choose to exceed the upper payment limit established by the board under section 62J.92.

(b) Providers who dispense and administer drugs in the state must bill all payers no more than the upper payment limit without regard to whether or not an ERISA plan or Medicare Part D plan chooses to reimburse the provider in an amount greater than the upper payment limit established by the board.

(c) For purposes of this section, an ERISA plan or group health plan is an employee welfare benefit plan established or maintained by an employer or an employee organization, or both, that provides employer sponsored health coverage to employees and the employee's dependents and is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

Sec. 39. **[62J.95] SEVERABILITY.**

If any provision of sections 62J.85 to 62J.94 or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of sections 62J.85 to 62J.94 that can be given effect without the invalid provision or application.

Sec. 40. **[62Q.1842] PROHIBITION ON USE OF STEP THERAPY FOR ANTIRETROVIRAL DRUGS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Health plan" has the meaning given in section 62Q.01, subdivision 3, and includes health coverage provided by a managed care plan or a county-based purchasing plan participating in a public program under chapter 256B or 256L or an integrated health partnership under section 256B.0755.

(c) "Step therapy protocol" has the meaning given in section 62Q.184.

Subd. 2. **Prohibition on use of step therapy protocols.** A health plan that covers antiretroviral drugs that are medically necessary for the prevention of HIV/AIDS, including preexposure prophylaxis and postexposure prophylaxis, must not limit or exclude coverage for the antiretroviral drugs by requiring prior authorization or by requiring an enrollee to follow a step therapy protocol.

Sec. 41. **[62Q.481] COST-SHARING FOR PRESCRIPTION DRUGS AND RELATED MEDICAL SUPPLIES TO TREAT CHRONIC DISEASE.**

Subdivision 1. **Cost-sharing limits.** (a) A health plan must limit the amount of any enrollee cost-sharing for prescription drugs prescribed to treat a chronic disease to no more than $25 per one-month supply for each prescription drug and to no more than $50 per month in total for all related medical supplies. Coverage under this section must not be subject to any deductible.

(b) If application of this section before an enrollee has met their plan's deductible would result in health savings account ineligibility under United States Code, title 26, section 223, then this section must apply to that specific prescription drug or related medical supply only after the enrollee has met their plan's deductible.

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

(b) "Chronic disease" means diabetes, asthma, and allergies requiring the use of epinephrine auto-injectors.

(c) "Cost-sharing" means co-payments and coinsurance.

(d) "Related medical supplies" means syringes, insulin pens, insulin pumps, epinephrine auto-injectors, test strips, glucometers, continuous glucose monitors, and other medical supply items necessary to effectively and appropriately administer a prescription drug prescribed to treat a chronic disease.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 42. **[62Q.524] COVERAGE FOR DRUGS TO PREVENT THE ACQUISITION OF HUMAN IMMUNODEFICIENCY VIRUS.**

(a) A health plan that provides prescription drug coverage must provide coverage in accordance with this section for:

(1) any antiretroviral drug approved by the United States Food and Drug Administration (FDA) for preventing the acquisition of human immunodeficiency virus (HIV) that is prescribed, dispensed, or administered by a pharmacist who meets the requirements described in section 151.37, subdivision 17; and

(2) any laboratory testing necessary for therapy that uses the drugs described in clause (1) that is ordered, performed, and interpreted by a pharmacist who meets the requirements described in section 151.37, subdivision 17.

(b) A health plan must provide the same terms of prescription drug coverage for drugs to prevent the acquisition of HIV that are prescribed or administered by a pharmacist if the pharmacist meets the requirements described in section 151.37, subdivision 17, as would apply had the drug been prescribed or administered by a physician, physician assistant, or advanced practice registered nurse. The health plan may require pharmacists or pharmacies to meet reasonable medical management requirements when providing the services described in paragraph (a) if other providers are required to meet the same requirements.

(c) A health plan must reimburse an in-network pharmacist or pharmacy for the drugs and testing described in paragraph (a) at a rate equal to the rate of reimbursement provided to a physician, physician assistant, or advanced practice registered nurse if providing similar services.

(d) A health plan is not required to cover the drugs and testing described in paragraph (a) if provided by a pharmacist or pharmacy that is out-of-network unless the health plan covers similar services provided by out-of-network providers. A health plan must ensure that the health plan's provider network includes in-network pharmacies that provide the services described in paragraph (a).

Sec. 43. **[62Q.83] PRESCRIPTION DRUG BENEFIT TRANSPARENCY AND MANAGEMENT.**

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

(b) "Drug" has the meaning given in section 151.01, subdivision 5.

(c) "Enrollee contract term" means the 12-month term during which benefits associated with health plan company products are in effect. For managed care plans and county-based purchasing plans under section 256B.69 and chapter 256L, enrollee contract term means a single calendar quarter.

(d) "Formulary" means a list of prescription drugs developed by clinical and pharmacy experts that represents the health plan company's medically appropriate and cost-effective prescription drugs approved for use.

(e) "Health plan company" has the meaning given in section 62Q.01, subdivision 4, and includes an entity that performs pharmacy benefits management for the health plan company. For purposes of this paragraph, "pharmacy benefits management" means the administration or management of prescription drug benefits provided by the health plan company for the benefit of the plan's enrollees and may include but is not limited to procurement of prescription drugs, clinical formulary development and management services, claims processing, and rebate contracting and administration.

(f) "Prescription" has the meaning given in section 151.01, subdivision 16a.

Subd. 2. **Prescription drug benefit disclosure.** (a) A health plan company that provides prescription drug benefit coverage and uses a formulary must make the plan's formulary and related benefit information available by electronic means and, upon request, in writing at least 30 days before annual renewal dates.

(b) Formularies must be organized and disclosed consistent with the most recent version of the United States Pharmacopeia's (USP) Model Guidelines.

(c) For each item or category of items on the formulary, the specific enrollee benefit terms must be identified, including enrollee cost-sharing and expected out-of-pocket costs.

Subd. 3. **Formulary changes.** (a) Once a formulary has been established, a health plan company may, at any time during the enrollee's contract term:

(1) expand its formulary by adding drugs to the formulary;

(2) reduce co-payments or coinsurance; or

(3) move a drug to a benefit category that reduces an enrollee's cost.

(b) A health plan company may remove a brand name drug from the plan's formulary or place a brand name drug in a benefit category that increases an enrollee's cost only upon the addition to the formulary of a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book or a biologic drug rated as interchangeable according to the FDA Purple Book at a lower cost to the enrollee, and upon at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

(c) A health plan company may change utilization review requirements or move drugs to a benefit category that increases an enrollee's cost during the enrollee's contract term upon at least a 60-day notice to prescribers, pharmacists, and affected enrollees, provided that these changes do not apply to enrollees who are currently taking the drugs affected by these changes for the duration of the enrollee's contract term.

(d) A health plan company may remove any drugs from the plan's formulary that have been deemed unsafe by the Food and Drug Administration; that have been withdrawn by either the Food and Drug Administration or the product manufacturer; or when an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes in drug usage.

(e) The state employee group insurance program and coverage offered through that program are exempt from the requirements of this subdivision.

Subd. 4. **Not severable.** (a) The provisions of this section are not severable from the amendments and enactments in this act to sections 62A.02, subdivision 1; 62J.84, subdivisions 2, 6, 7, 8, and 9; 62J.841; and 151.071, subdivision 2.

(b) If any amendment or enactment listed in paragraph (a) or its application to any individual, entity, or circumstance is found to be void for any reason, this section is also void.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 44. **[62W.0751] ALTERNATIVE BIOLOGICAL PRODUCTS.**

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

(b) "Biological product" has the meaning given in section 151.01, subdivision 40.

(c) "Biosimilar" or "biosimilar product" has the meaning given in section 151.01, subdivision 43.

(d) "Interchangeable biological product" has the meaning given in section 151.01, subdivision 41.

(e) "Reference biological product" has the meaning given in section 151.01, subdivision 44.

Subd. 2. **Pharmacy and provider choice related to dispensing reference biological products, interchangeable biological products, or biosimilar products.** (a) Notwithstanding paragraph (b), a pharmacy benefit manager or health carrier must not require or demonstrate a preference for a reference biological product administered to a patient by a physician or health care provider or any product that is biosimilar to the reference biological product or an interchangeable biological product administered to a patient by a physician or health care provider.

(b) If a pharmacy benefit manager or health carrier elects coverage of a product listed in paragraph (a), and there are two or less biosimilar products available relative to the reference product, the pharmacy benefit manager or health carrier must elect equivalent coverage for all of the products that are biosimilar to the reference biological product or interchangeable biological product.

(c) If a pharmacy benefit manager or health carrier elects coverage of a product listed in paragraph (a), and there are greater than two biosimilar products available relative to the reference product, the pharmacy benefit manager or health carrier must elect preferential coverage for all of the products that are biosimilar to the reference biological or interchangeable biological products.

(d) A pharmacy benefit manager or health carrier must not impose limits on access to a product required to be covered under paragraph (b) that are more restrictive than limits imposed on access to a product listed in paragraph (a), or that otherwise have the same effect as giving preferred status to a product listed in paragraph (a) over the product required to be covered under paragraph (b).

(e) This section only applies to new administrations of a reference biological product. Nothing in this section requires switching from a prescribed reference biological product for a patient on an active course of treatment.

Subd. 3. **Exemption.** The state employee group insurance program, and coverage offered through that program, are exempt from the requirements of this section.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 45. **[62W.15] CLINICIAN-ADMINISTERED DRUGS.**

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

(b) "Affiliated pharmacy" means a pharmacy in which a pharmacy benefit manager or health carrier has an ownership interest either directly or indirectly, or through an affiliate or subsidiary.

(c) "Clinician-administered drug" means an outpatient prescription drug other than a vaccine that:

(1) cannot reasonably be self-administered by the patient to whom the drug is prescribed or by an individual assisting the patient with self-administration; and

(2) is typically administered:

(i) by a health care provider authorized to administer the drug, including when acting under a physician's delegation and supervision; and

(ii) in a physician's office, hospital outpatient infusion center, or other clinical setting.

Subd. 2. **Prohibition on requiring coverage as a pharmacy benefit.** A pharmacy benefit manager or health carrier shall not require that a clinician-administered drug or the administration of a clinician-administered drug be covered as a pharmacy benefit.

Subd. 3. **Enrollee choice.** A pharmacy benefit manager or health carrier:

(1) shall permit an enrollee to obtain a clinician-administered drug from a health care provider authorized to administer the drug, or a pharmacy;

(2) shall not interfere with the enrollee's right to obtain a clinician-administered drug from their provider or pharmacy of choice, and shall not offer financial or other incentives to influence the enrollee's choice of a provider or pharmacy;

(3) shall not require clinician-administered drugs to be dispensed by a pharmacy selected by the pharmacy benefit manager or health carrier; and

(4) shall not limit or exclude coverage for a clinician-administered drug when it is not dispensed by a pharmacy selected by the pharmacy benefit manager or health carrier, if the drug would otherwise be covered.

Subd. 4. **Cost-sharing and reimbursement.** A pharmacy benefit manager or health carrier:

(1) may impose coverage or benefit limitations on an enrollee who obtains a clinician-administered drug from a health care provider authorized to administer the drug, or a pharmacy, only if these limitations would also be imposed were the drug to be obtained from an affiliated pharmacy or a pharmacy selected by the pharmacy benefit manager or health carrier; and

(2) may impose cost-sharing requirements on an enrollee who obtains a clinician-administered drug from a health care provider authorized to administer the drug, or a pharmacy, only if these requirements would also be imposed were the drug to be obtained from an affiliated pharmacy or a pharmacy selected by the pharmacy benefit manager or health carrier.

Subd. 5. **Other requirements.** A pharmacy benefit manager or health carrier:

(1) shall not require or encourage the dispensing of a clinician-administered drug to an enrollee in a manner that is inconsistent with the supply chain security controls and chain of distribution set by the federal Drug Supply Chain Security Act, United States Code, title 21, section 360eee, et seq.;

(2) shall not require a specialty pharmacy to dispense a clinician-administered medication directly to a patient with the intention that the patient will transport the medication to a health care provider for administration; and

(3) may offer, but shall not require:

(i) the use of a home infusion pharmacy to dispense or administer clinician-administered drugs to enrollees; and

(ii) the use of an infusion site external to the enrollee's provider office or clinic.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 46. Minnesota Statutes 2020, section 151.01, subdivision 23, is amended to read:

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed advanced practice registered nurse, or licensed physician assistant. For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to dispense and administer under chapter 150A. For purposes of sections 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to prescribe self-administered hormonal contraceptives, nicotine replacement medications, or opiate antagonists under section 151.37, subdivision 14, 15, or 16, or authorized to prescribe drugs to prevent the acquisition of human immunodeficiency virus (HIV) under section 151.37, subdivision 17.

Sec. 47. Minnesota Statutes 2020, section 151.01, subdivision 27, is amended to read:

Subd. 27. **Practice of pharmacy.** "Practice of pharmacy" means:

(1) interpretation and evaluation of prescription drug orders;

(2) compounding, labeling, and dispensing drugs and devices (except labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices);

(3) participation in clinical interpretations and monitoring of drug therapy for assurance of safe and effective use of drugs, including the performance of laboratory tests that are waived under the federal Clinical Laboratory Improvement Act of 1988, United States Code, title 42, section 263a et seq., provided that a pharmacist may interpret the results of laboratory tests but may modify drug therapy only pursuant to a protocol or collaborative practice agreement;

(4) participation in drug and therapeutic device selection; drug administration for first dosage and medical emergencies; intramuscular and subcutaneous administration used for the treatment of alcohol or opioid dependence; drug regimen reviews; and drug or drug-related research;

(5) drug administration, through intramuscular and subcutaneous administration used to treat mental illnesses as permitted under the following conditions:

(i) upon the order of a prescriber and the prescriber is notified after administration is complete; or

(ii) pursuant to a protocol or collaborative practice agreement as defined by section 151.01, subdivisions 27b and 27c, and participation in the initiation, management, modification, administration, and discontinuation of drug therapy is according to the protocol or collaborative practice agreement between the pharmacist and a dentist, optometrist, physician, podiatrist, or veterinarian, or an advanced practice registered nurse authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy or medication administration made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(6) participation in administration of influenza vaccines and vaccines approved by the United States Food and Drug Administration related to COVID-19 or SARS-CoV-2 to all eligible individuals six years of age and older and all other vaccines to patients 13 years of age and older by written protocol with a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that:

(i) the protocol includes, at a minimum:

(A) the name, dose, and route of each vaccine that may be given;

(B) the patient population for whom the vaccine may be given;

(C) contraindications and precautions to the vaccine;

(D) the procedure for handling an adverse reaction;

(E) the name, signature, and address of the physician, physician assistant, or advanced practice registered nurse;

(F) a telephone number at which the physician, physician assistant, or advanced practice registered nurse can be contacted; and

(G) the date and time period for which the protocol is valid;

(ii) the pharmacist has successfully completed a program approved by the Accreditation Council for Pharmacy Education specifically for the administration of immunizations or a program approved by the board;

(iii) the pharmacist utilizes the Minnesota Immunization Information Connection to assess the immunization status of individuals prior to the administration of vaccines, except when administering influenza vaccines to individuals age nine and older;

(iv) the pharmacist reports the administration of the immunization to the Minnesota Immunization Information Connection; and

(v) the pharmacist complies with guidelines for vaccines and immunizations established by the federal Advisory Committee on Immunization Practices, except that a pharmacist does not need to comply with those portions of the guidelines that establish immunization schedules when administering a vaccine pursuant to a valid, patient-specific order issued by a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that the order is consistent with the United States Food and Drug Administration approved labeling of the vaccine;

(7) participation in the initiation, management, modification, and discontinuation of drug therapy according to a written protocol or collaborative practice agreement between: (i) one or more pharmacists and one or more dentists, optometrists, physicians, podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more physician assistants authorized to prescribe, dispense, and administer under chapter 147A, or advanced practice registered nurses authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(8) participation in the storage of drugs and the maintenance of records;

(9) patient counseling on therapeutic values, content, hazards, and uses of drugs and devices;

(10) offering or performing those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy;

(11) participation in the initiation, management, modification, and discontinuation of therapy with opiate antagonists, as defined in section 604A.04, subdivision 1, pursuant to:

(i) a written protocol as allowed under clause (7); or

(ii) a written protocol with a community health board medical consultant or a practitioner designated by the commissioner of health, as allowed under section 151.37, subdivision 13; ~~and~~

(12) prescribing self-administered hormonal contraceptives; nicotine replacement medications; and opiate antagonists for the treatment of an acute opiate overdose pursuant to section 151.37, subdivision 14, 15, or 16~~.~~;

(13) prescribing, dispensing, and administering drugs for preventing the acquisition of human immunodeficiency virus (HIV) if the pharmacist meets the requirements under section 151.37, subdivision 17; and

(14) ordering, conducting, and interpreting laboratory tests necessary for therapies that use drugs for preventing the acquisition of HIV, if the pharmacist meets the requirements under section 151.37, subdivision 17.

Sec. 48. Minnesota Statutes 2020, section 151.01, is amended by adding a subdivision to read:

Subd. 43. **Biosimilar product.** "Biosimilar product" or "interchangeable biologic product" means a biological product that the United States Food and Drug Administration has licensed and determined to be biosimilar under United States Code, title 42, section 262(i)(2).

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 49. Minnesota Statutes 2020, section 151.01, is amended by adding a subdivision to read:

Subd. 44. **Reference biological product.** "Reference biological product" means the single biological product for which the United States Food and Drug Administration has approved an initial biological product license application, against which other biological products are evaluated for licensure as biosimilar products or interchangeable biological products.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 50. Minnesota Statutes 2020, section 151.071, subdivision 1, is amended to read:

Subdivision 1. **Forms of disciplinary action.** When the board finds that a licensee, registrant, or applicant has engaged in conduct prohibited under subdivision 2, it may do one or more of the following:

(1) deny the issuance of a license or registration;

(2) refuse to renew a license or registration;

(3) revoke the license or registration;

(4) suspend the license or registration;

(5) impose limitations, conditions, or both on the license or registration, including but not limited to: the limitation of practice to designated settings; the limitation of the scope of practice within designated settings; the imposition of retraining or rehabilitation requirements; the requirement of practice under supervision; the requirement of participation in a diversion program such as that established pursuant to section 214.31 or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination or other review of skill and competence;

(6) impose a civil penalty not exceeding $10,000 for each separate violation, except that a civil penalty not exceeding $25,000 may be imposed for each separate violation of section 62J.842, the amount of the civil penalty to be fixed so as to deprive a licensee or registrant of any economic advantage gained by reason of the violation, to discourage similar violations by the licensee or registrant or any other licensee or registrant, or to reimburse the board for the cost of the investigation and proceeding, including but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members; and

(7) reprimand the licensee or registrant.

Sec. 51. Minnesota Statutes 2020, section 151.071, subdivision 2, is amended to read:

Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license or registration contained in this chapter or the rules of the board. The burden of proof is on the applicant to demonstrate such qualifications or satisfaction of such requirements;

(2) obtaining a license by fraud or by misleading the board in any way during the application process or obtaining a license by cheating, or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (i) 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; (ii) 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 (iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf;

(3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration, conviction of a felony reasonably related to the practice of pharmacy. Conviction as used in this subdivision 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 thereon. The board may delay the issuance of a new license or registration if the applicant has been charged with a felony until the matter has been adjudicated;

(4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner or applicant is convicted of a felony reasonably related to the operation of the facility. The board may delay the issuance of a new license or registration if the owner or applicant has been charged with a felony until the matter has been adjudicated;

(5) for a controlled substance researcher, conviction of a felony reasonably related to controlled substances or to the practice of the researcher's profession. The board may delay the issuance of a registration if the applicant has been charged with a felony until the matter has been adjudicated;

(6) disciplinary action taken by another state or by one of this state's health licensing agencies:

(i) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration in another state or jurisdiction, failure to report to the board that charges or allegations regarding the person's license or registration have been brought in another state or jurisdiction, or having been refused a license or registration by any other state or jurisdiction. The board may delay the issuance of a new license or registration if an investigation or disciplinary action is pending in another state or jurisdiction until the investigation or action has been dismissed or otherwise resolved; and

(ii) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration issued by another of this state's health licensing agencies, failure to report to the board that charges regarding the person's license or registration have been brought by another of this state's health licensing agencies, or having been refused a license or registration by another of this state's health licensing agencies. The board may delay the issuance of a new license or registration if a disciplinary action is pending before another of this state's health licensing agencies until the action has been dismissed or otherwise resolved;

(7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of any order of the board, of any of the provisions of this chapter or any rules of the board or violation of any federal, state, or local law or rule reasonably pertaining to the practice of pharmacy;

(8) for a facility, other than a pharmacy, licensed by the board, violations of any order of the board, of any of the provisions of this chapter or the rules of the board or violation of any federal, state, or local law relating to the operation of the facility;

(9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or pharmacy practice that is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy technician or pharmacist intern if that person is performing duties allowed by this chapter or the rules of the board;

(11) for an individual licensed or registered by the board, adjudication as mentally ill or developmentally disabled, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality, by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise;

(12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist intern or performing duties specifically reserved for pharmacists under this chapter or the rules of the board;

(13) for a pharmacy, operation of the pharmacy without a pharmacist present and on duty except as allowed by a variance approved by the board;

(14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety to patients by reason of illness, use of alcohol, 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. In the case of registered pharmacy technicians, pharmacist interns, or controlled substance researchers, the inability to carry out duties allowed under this chapter or the rules of the board with reasonable skill and safety to patients by reason of illness, use of alcohol, 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;

(15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas dispenser, or controlled substance researcher, revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(16) for a pharmacist or pharmacy, improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(17) fee splitting, including without limitation:

(i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, kickback, or other form of remuneration, directly or indirectly, for the referral of patients;

(ii) referring a patient to any health care provider as defined in sections 144.291 to 144.298 in which the licensee or registrant has a financial or economic interest as defined in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the licensee's or registrant's financial or economic interest in accordance with section 144.6521; and

(iii) any arrangement through which a pharmacy, in which the prescribing practitioner does not have a significant ownership interest, fills a prescription drug order and the prescribing practitioner is involved in any manner, directly or indirectly, in setting the price for the filled prescription that is charged to the patient, the patient's insurer or pharmacy benefit manager, or other person paying for the prescription or, in the case of veterinary patients, the price for the filled prescription that is charged to the client or other person paying for the prescription, except that a veterinarian and a pharmacy may enter into such an arrangement provided that the client or other person paying for the prescription is notified, in writing and with each prescription dispensed, about the arrangement, unless such arrangement involves pharmacy services provided for livestock, poultry, and agricultural production systems, in which case client notification would not be required;

(18) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws or rules;

(19) 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;

(20) failure to make reports as required by section 151.072 or to cooperate with an investigation of the board as required by section 151.074;

(21) knowingly providing false or misleading information that is directly related to the care of a patient unless done for an accepted therapeutic purpose such as the dispensing and administration of a placebo;

(22) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board must investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For a pharmacist intern, pharmacy technician, or controlled substance researcher, performing duties permitted to such individuals by this chapter or the rules of the board under a lapsed or nonrenewed registration. For a facility required to be licensed under this chapter, operation of the facility under a lapsed or nonrenewed license or registration; ~~and~~

(24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge from the health professionals services program for reasons other than the satisfactory completion of the program; and

(25) for a drug manufacturer, failure to comply with section 62J.841.

Sec. 52. Minnesota Statutes 2020, section 151.071, subdivision 2, is amended to read:

Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license or registration contained in this chapter or the rules of the board. The burden of proof is on the applicant to demonstrate such qualifications or satisfaction of such requirements;

(2) obtaining a license by fraud or by misleading the board in any way during the application process or obtaining a license by cheating, or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (i) 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; (ii) 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 (iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf;

(3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration, conviction of a felony reasonably related to the practice of pharmacy. Conviction as used in this subdivision 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 thereon. The board may delay the issuance of a new license or registration if the applicant has been charged with a felony until the matter has been adjudicated;

(4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner or applicant is convicted of a felony reasonably related to the operation of the facility. The board may delay the issuance of a new license or registration if the owner or applicant has been charged with a felony until the matter has been adjudicated;

(5) for a controlled substance researcher, conviction of a felony reasonably related to controlled substances or to the practice of the researcher's profession. The board may delay the issuance of a registration if the applicant has been charged with a felony until the matter has been adjudicated;

(6) disciplinary action taken by another state or by one of this state's health licensing agencies:

(i) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration in another state or jurisdiction, failure to report to the board that charges or allegations regarding the person's license or registration have been brought in another state or jurisdiction, or having been refused a license or registration by any other state or jurisdiction. The board may delay the issuance of a new license or registration if an investigation or disciplinary action is pending in another state or jurisdiction until the investigation or action has been dismissed or otherwise resolved; and

(ii) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration issued by another of this state's health licensing agencies, failure to report to the board that charges regarding the person's license or registration have been brought by another of this state's health licensing agencies, or having been refused a license or registration by another of this state's health licensing agencies. The board may delay the issuance of a new license or registration if a disciplinary action is pending before another of this state's health licensing agencies until the action has been dismissed or otherwise resolved;

(7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of any order of the board, of any of the provisions of this chapter or any rules of the board or violation of any federal, state, or local law or rule reasonably pertaining to the practice of pharmacy;

(8) for a facility, other than a pharmacy, licensed by the board, violations of any order of the board, of any of the provisions of this chapter or the rules of the board or violation of any federal, state, or local law relating to the operation of the facility;

(9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or pharmacy practice that is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy technician or pharmacist intern if that person is performing duties allowed by this chapter or the rules of the board;

(11) for an individual licensed or registered by the board, adjudication as mentally ill or developmentally disabled, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality, by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise;

(12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist intern or performing duties specifically reserved for pharmacists under this chapter or the rules of the board;

(13) for a pharmacy, operation of the pharmacy without a pharmacist present and on duty except as allowed by a variance approved by the board;

(14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety to patients by reason of illness, use of alcohol, 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. In the case of registered pharmacy technicians, pharmacist interns, or controlled substance researchers, the inability to carry out duties allowed under this chapter or the rules of the board with reasonable skill and safety to patients by reason of illness, use of alcohol, 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;

(15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas dispenser, or controlled substance researcher, revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(16) for a pharmacist or pharmacy, improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(17) fee splitting, including without limitation:

(i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, kickback, or other form of remuneration, directly or indirectly, for the referral of patients;

(ii) referring a patient to any health care provider as defined in sections 144.291 to 144.298 in which the licensee or registrant has a financial or economic interest as defined in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the licensee's or registrant's financial or economic interest in accordance with section 144.6521; and

(iii) any arrangement through which a pharmacy, in which the prescribing practitioner does not have a significant ownership interest, fills a prescription drug order and the prescribing practitioner is involved in any manner, directly or indirectly, in setting the price for the filled prescription that is charged to the patient, the patient's insurer or pharmacy benefit manager, or other person paying for the prescription or, in the case of veterinary patients, the price for the filled prescription that is charged to the client or other person paying for the prescription, except that a veterinarian and a pharmacy may enter into such an arrangement provided that the client or other person paying for the prescription is notified, in writing and with each prescription dispensed, about the arrangement, unless such arrangement involves pharmacy services provided for livestock, poultry, and agricultural production systems, in which case client notification would not be required;

(18) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws or rules;

(19) 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;

(20) failure to make reports as required by section 151.072 or to cooperate with an investigation of the board as required by section 151.074;

(21) knowingly providing false or misleading information that is directly related to the care of a patient unless done for an accepted therapeutic purpose such as the dispensing and administration of a placebo;

(22) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board must investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For a pharmacist intern, pharmacy technician, or controlled substance researcher, performing duties permitted to such individuals by this chapter or the rules of the board under a lapsed or nonrenewed registration. For a facility required to be licensed under this chapter, operation of the facility under a lapsed or nonrenewed license or registration; ~~and~~

(24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge from the health professionals services program for reasons other than the satisfactory completion of the program~~.~~; and

(25) for a manufacturer, a violation of section 62J.842 or 62J.845.

Sec. 53. Minnesota Statutes 2021 Supplement, section 151.335, is amended to read:

151.335 DELIVERY THROUGH COMMON CARRIER; COMPLIANCE WITH TEMPERATURE REQUIREMENTS.

In addition to complying with the requirements of Minnesota Rules, part 6800.3000, a mail order or specialty pharmacy that employs the United States Postal Service or other common carrier to deliver a filled prescription directly to a patient must ensure that the drug is delivered in compliance with temperature requirements established by the manufacturer of the drug. The methods used to ensure compliance must include but are not limited to enclosing in each medication's packaging a device recognized by the United States Pharmacopeia by which the patient can easily detect improper storage or temperature variations. The pharmacy must develop written policies and procedures that are consistent with United States Pharmacopeia, chapters 1079 and 1118, and with nationally recognized standards issued by standard-setting or accreditation organizations recognized by the board through guidance. The policies and procedures must be provided to the board upon request.

Sec. 54. Minnesota Statutes 2020, section 151.37, is amended by adding a subdivision to read:

Subd. 17. **Drugs for preventing the acquisition of HIV.** (a) A pharmacist is authorized to prescribe and administer drugs to prevent the acquisition of human immunodeficiency virus (HIV) in accordance with this subdivision.

(b) By January 1, 2023, the board of pharmacy shall develop a standardized protocol for a pharmacist to follow in prescribing the drugs described in paragraph (a). In developing the protocol, the board may consult with community health advocacy groups, the board of medical practice, the board of nursing, the commissioner of health, professional pharmacy associations, and professional associations for physicians, physician assistants, and advanced practice registered nurses.

(c) Before a pharmacist is authorized to prescribe a drug described in paragraph (a), the pharmacist must successfully complete a training program specifically developed for prescribing drugs for preventing the acquisition of HIV that is offered by a college of pharmacy, a continuing education provider that is accredited by the Accreditation Council for Pharmacy Education, or a program approved by the board. To maintain authorization to prescribe, the pharmacist shall complete continuing education requirements as specified by the board.

(d) Before prescribing a drug described in paragraph (a), the pharmacist shall follow the appropriate standardized protocol developed under paragraph (b) and, if appropriate, may dispense to a patient a drug described in paragraph (a).

(e) Before dispensing a drug described under paragraph (a) that is prescribed by the pharmacist, the pharmacist must provide counseling to the patient on the use of the drugs and must provide the patient with a fact sheet that includes the indications and contraindications for the use of these drugs, the appropriate method for using these drugs, the need for medical follow up, and any other additional information listed in Minnesota Rules, part 6800.0910, subpart 2, that is required to be provided to a patient during the counseling process.

(f) A pharmacist is prohibited from delegating the prescribing authority provided under this subdivision to any other person. A pharmacist intern registered under section 151.101 may prepare the prescription, but before the prescription is processed or dispensed, a pharmacist authorized to prescribe under this subdivision must review, approve, and sign the prescription.

(g) Nothing in this subdivision prohibits a pharmacist from participating in the initiation, management, modification, and discontinuation of drug therapy according to a protocol as authorized in this section and in section 151.01, subdivision 27.

Sec. 55. Minnesota Statutes 2020, section 151.555, as amended by Laws 2021, chapter 30, article 5, sections 2 to 5, is amended to read:

151.555 ~~PRESCRIPTION DRUG~~ MEDICATION REPOSITORY PROGRAM.

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

(b) "Central repository" means a wholesale distributor that meets the requirements under subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this section.

(c) "Distribute" means to deliver, other than by administering or dispensing.

(d) "Donor" means:

(1) a health care facility as defined in this subdivision;

(2) a skilled nursing facility licensed under chapter 144A;

(3) an assisted living facility licensed under chapter 144G;

(4) a pharmacy licensed under section 151.19, and located either in the state or outside the state;

(5) a drug wholesaler licensed under section 151.47;

(6) a drug manufacturer licensed under section 151.252; or

(7) an individual at least 18 years of age, provided that the drug or medical supply that is donated was obtained legally and meets the requirements of this section for donation.

(e) "Drug" means any prescription drug that has been approved for medical use in the United States, is listed in the United States Pharmacopoeia or National Formulary, and meets the criteria established under this section for donation; or any over-the-counter medication that meets the criteria established under this section for donation. This definition includes cancer drugs and antirejection drugs, but does not include controlled substances, as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed to a patient registered with the drug's manufacturer in accordance with federal Food and Drug Administration requirements.

(f) "Health care facility" means:

(1) a physician's office or health care clinic where licensed practitioners provide health care to patients;

(2) a hospital licensed under section 144.50;

(3) a pharmacy licensed under section 151.19 and located in Minnesota; or

(4) a nonprofit community clinic, including a federally qualified health center; a rural health clinic; public health clinic; or other community clinic that provides health care utilizing a sliding fee scale to patients who are low-income, uninsured, or underinsured.

(g) "Local repository" means a health care facility that elects to accept donated drugs and medical supplies and meets the requirements of subdivision 4.

(h) "Medical supplies" or "supplies" means any prescription ~~and~~ or nonprescription medical supplies needed to administer a ~~prescription~~ drug.

(i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules, part 6800.3750.

(j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that it does not include a veterinarian.

Subd. 2. **Establishment; contract and oversight.** (a) By January 1, 2020, the Board of Pharmacy shall establish a ~~drug~~ medication repository program, through which donors may donate a drug or medical supply for use by an individual who meets the eligibility criteria specified under subdivision 5.

(b) The board shall contract with a central repository that meets the requirements of subdivision 3 to implement and administer the ~~prescription drug~~ medication repository program. The contract must:

(1) require the board to transfer to the central repository any money appropriated by the legislature for the purpose of operating the medication repository program and require the central repository to spend any money transferred only for purposes specified in the contract;

(2) require the central repository to report the following performance measures to the board:

(i) the number of individuals served and the types of medications these individuals received;

(ii) the number of clinics, pharmacies, and long-term care facilities with which the central repository partnered;

(iii) the number and cost of medications accepted for inventory, disposed of, and dispensed to individuals in need; and

(iv) locations within the state to which medications are shipped or delivered; and

(3) require the board to annually audit the expenditure by the central repository of any funds appropriated by the legislature and transferred by the board to ensure that this funding is used only for purposes specified in the contract.

Subd. 3. **Central repository requirements.** (a) The board may publish a request for proposal for participants who meet the requirements of this subdivision and are interested in acting as the central repository for the ~~drug~~ medication repository program. If the board publishes a request for proposal, it shall follow all applicable state procurement procedures in the selection process. The board may also work directly with the University of Minnesota to establish a central repository.

(b) To be eligible to act as the central repository, the participant must be a wholesale drug distributor located in Minnesota, licensed pursuant to section 151.47, and in compliance with all applicable federal and state statutes, rules, and regulations.

(c) The central repository shall be subject to inspection by the board pursuant to section 151.06, subdivision 1.

(d) The central repository shall comply with all applicable federal and state laws, rules, and regulations pertaining to the ~~drug~~ medication repository program, drug storage, and dispensing. The facility must maintain in good standing any state license or registration that applies to the facility.

Subd. 4. **Local repository requirements.** (a) To be eligible for participation in the ~~drug~~ medication repository program, a health care facility must agree to comply with all applicable federal and state laws, rules, and regulations pertaining to the ~~drug~~ medication repository program, drug storage, and dispensing. The facility must also agree to maintain in good standing any required state license or registration that may apply to the facility.

(b) A local repository may elect to participate in the program by submitting the following information to the central repository on a form developed by the board and made available on the board's website:

(1) the name, street address, and telephone number of the health care facility and any state-issued license or registration number issued to the facility, including the issuing state agency;

(2) the name and telephone number of a responsible pharmacist or practitioner who is employed by or under contract with the health care facility; and

(3) a statement signed and dated by the responsible pharmacist or practitioner indicating that the health care facility meets the eligibility requirements under this section and agrees to comply with this section.

(c) Participation in the ~~drug~~ medication repository program is voluntary. A local repository may withdraw from participation in the ~~drug~~ medication repository program at any time by providing written notice to the central repository on a form developed by the board and made available on the board's website. The central repository shall provide the board with a copy of the withdrawal notice within ten business days from the date of receipt of the withdrawal notice.

Subd. 5. **Individual eligibility and application requirements.** (a) To be eligible for the ~~drug~~ medication repository program, an individual must submit to a local repository an intake application form that is signed by the individual and attests that the individual:

(1) is a resident of Minnesota;

(2) is uninsured and is not enrolled in the medical assistance program under chapter 256B or the MinnesotaCare program under chapter 256L, has no prescription drug coverage, or is underinsured;

(3) acknowledges that the drugs or medical supplies to be received through the program may have been donated; and

(4) consents to a waiver of the child-resistant packaging requirements of the federal Poison Prevention Packaging Act.

(b) Upon determining that an individual is eligible for the program, the local repository shall furnish the individual with an identification card. The card shall be valid for one year from the date of issuance and may be used at any local repository. A new identification card may be issued upon expiration once the individual submits a new application form.

(c) The local repository shall send a copy of the intake application form to the central repository by regular mail, facsimile, or secured e-mail within ten days from the date the application is approved by the local repository.

(d) The board shall develop and make available on the board's website an application form and the format for the identification card.

Subd. 6. **Standards and procedures for accepting donations of drugs and supplies.** (a) A donor may donate ~~prescription~~ drugs or medical supplies to the central repository or a local repository if the drug or supply meets the requirements of this section as determined by a pharmacist or practitioner who is employed by or under contract with the central repository or a local repository.

(b) A ~~prescription~~ drug is eligible for donation under the ~~drug~~ medication repository program if the following requirements are met:

(1) the donation is accompanied by a ~~drug~~ medication repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d);

(2) the drug's expiration date is at least six months after the date the drug was donated. If a donated drug bears an expiration date that is less than six months from the donation date, the drug may be accepted and distributed if the drug is in high demand and can be dispensed for use by a patient before the drug's expiration date;

(3) the drug is in its original, sealed, unopened, tamper-evident packaging that includes the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging is unopened;

(4) the drug or the packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity, or adulteration;

(5) the drug does not require storage temperatures other than normal room temperature as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located in Minnesota; and

(6) the ~~prescription~~ drug is not a controlled substance.

(c) A medical supply is eligible for donation under the ~~drug~~ medication repository program if the following requirements are met:

(1) the supply has no physical signs of tampering, misbranding, or alteration and there is no reason to believe it has been adulterated, tampered with, or misbranded;

(2) the supply is in its original, unopened, sealed packaging;

(3) the donation is accompanied by a ~~drug~~ medication repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d); and

(4) if the supply bears an expiration date, the date is at least six months later than the date the supply was donated. If the donated supply bears an expiration date that is less than six months from the date the supply was donated, the supply may be accepted and distributed if the supply is in high demand and can be dispensed for use by a patient before the supply's expiration date.

(d) The board shall develop the ~~drug~~ medication repository donor form and make it available on the board's website. The form must state that to the best of the donor's knowledge the donated drug or supply has been properly stored under appropriate temperature and humidity conditions and that the drug or supply has never been opened, used, tampered with, adulterated, or misbranded.

(e) Donated drugs and supplies may be shipped or delivered to the premises of the central repository or a local repository, and shall be inspected by a pharmacist or an authorized practitioner who is employed by or under contract with the repository and who has been designated by the repository to accept donations. A drop box must not be used to deliver or accept donations.

(f) The central repository and local repository shall inventory all drugs and supplies donated to the repository. For each drug, the inventory must include the drug's name, strength, quantity, manufacturer, expiration date, and the date the drug was donated. For each medical supply, the inventory must include a description of the supply, its manufacturer, the date the supply was donated, and, if applicable, the supply's brand name and expiration date.

Subd. 7. **Standards and procedures for inspecting and storing donated ~~prescription~~ drugs and supplies.** (a) A pharmacist or authorized practitioner who is employed by or under contract with the central repository or a local repository shall inspect all donated ~~prescription~~ drugs and supplies before the drug or supply is dispensed to determine, to the extent reasonably possible in the professional judgment of the pharmacist or practitioner, that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing, has not been subject to a recall, and meets the requirements for donation. The pharmacist or practitioner who inspects the drugs or supplies shall sign an inspection record stating that the requirements for donation have been met. If a local repository receives drugs and supplies from the central repository, the local repository does not need to reinspect the drugs and supplies.

(b) The central repository and local repositories shall store donated drugs and supplies in a secure storage area under environmental conditions appropriate for the drug or supply being stored. Donated drugs and supplies may not be stored with nondonated inventory.

(c) The central repository and local repositories shall dispose of all ~~prescription~~ drugs and medical supplies that are not suitable for donation in compliance with applicable federal and state statutes, regulations, and rules concerning hazardous waste.

(d) In the event that controlled substances or ~~prescription~~ drugs that can only be dispensed to a patient registered with the drug's manufacturer are shipped or delivered to a central or local repository for donation, the shipment delivery must be documented by the repository and returned immediately to the donor or the donor's representative that provided the drugs.

(e) Each repository must develop drug and medical supply recall policies and procedures. If a repository receives a recall notification, the repository shall destroy all of the drug or medical supply in its inventory that is the subject of the recall and complete a record of destruction form in accordance with paragraph (f). If a drug or medical supply that is the subject of a Class I or Class II recall has been dispensed, the repository shall immediately notify the recipient of the recalled drug or medical supply. A drug that potentially is subject to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

(f) A record of destruction of donated drugs and supplies that are not dispensed under subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation shall be maintained by the repository for at least two years. For each drug or supply destroyed, the record shall include the following information:

(1) the date of destruction;

(2) the name, strength, and quantity of the drug destroyed; and

(3) the name of the person or firm that destroyed the drug.

Subd. 8. **Dispensing requirements.** (a) Donated drugs and supplies may be dispensed if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies to eligible individuals in the following priority order: (1) individuals who are uninsured; (2) individuals with no prescription drug coverage; and (3) individuals who are underinsured. A repository shall dispense donated ~~prescription~~ drugs in compliance with applicable federal and state laws and regulations for dispensing ~~prescription~~ drugs, including all requirements relating to packaging, labeling, record keeping, drug utilization review, and patient counseling.

(b) Before dispensing or administering a drug or supply, the pharmacist or practitioner shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date of expiration. Drugs or supplies that have expired or appear upon visual inspection to be adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

(c) Before a drug or supply is dispensed or administered to an individual, the individual must sign a drug repository recipient form acknowledging that the individual understands the information stated on the form. The board shall develop the form and make it available on the board's website. The form must include the following information:

(1) that the drug or supply being dispensed or administered has been donated and may have been previously dispensed;

(2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure that the drug or supply has not expired, has not been adulterated or misbranded, and is in its original, unopened packaging; and

(3) that the dispensing pharmacist, the dispensing or administering practitioner, the central repository or local repository, the Board of Pharmacy, and any other participant of the ~~drug~~ medication repository program cannot guarantee the safety of the drug or medical supply being dispensed or administered and that the pharmacist or practitioner has determined that the drug or supply is safe to dispense or administer based on the accuracy of the donor's form submitted with the donated drug or medical supply and the visual inspection required to be performed by the pharmacist or practitioner before dispensing or administering.

Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual receiving a drug or supply a handling fee of no more than 250 percent of the medical assistance program dispensing fee for each drug or medical supply dispensed or administered by that repository.

(b) A repository that dispenses or administers a drug or medical supply through the drug repository program shall not receive reimbursement under the medical assistance program or the MinnesotaCare program for that dispensed or administered drug or supply.

Subd. 10. **Distribution of donated drugs and supplies.** (a) The central repository and local repositories may distribute drugs and supplies donated under the drug repository program to other participating repositories for use pursuant to this program.

(b) A local repository that elects not to dispense donated drugs or supplies must transfer all donated drugs and supplies to the central repository. A copy of the donor form that was completed by the original donor under subdivision 6 must be provided to the central repository at the time of transfer.

Subd. 11. **Forms and record-keeping requirements.** (a) The following forms developed for the administration of this program shall be utilized by the participants of the program and shall be available on the board's website:

(1) intake application form described under subdivision 5;

(2) local repository participation form described under subdivision 4;

(3) local repository withdrawal form described under subdivision 4;

(4) ~~drug~~ medication repository donor form described under subdivision 6;

(5) record of destruction form described under subdivision 7; and

(6) ~~drug~~ medication repository recipient form described under subdivision 8.

(b) All records, including drug inventory, inspection, and disposal of donated ~~prescription~~ drugs and medical supplies, must be maintained by a repository for a minimum of two years. Records required as part of this program must be maintained pursuant to all applicable practice acts.

(c) Data collected by the ~~drug~~ medication repository program from all local repositories shall be submitted quarterly or upon request to the central repository. Data collected may consist of the information, records, and forms required to be collected under this section.

(d) The central repository shall submit reports to the board as required by the contract or upon request of the board.

Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal or civil liability for injury, death, or loss to a person or to property for causes of action described in clauses (1) and (2). A manufacturer is not liable for:

(1) the intentional or unintentional alteration of the drug or supply by a party not under the control of the manufacturer; or

(2) the failure of a party not under the control of the manufacturer to transfer or communicate product or consumer information or the expiration date of the donated drug or supply.

(b) A health care facility participating in the program, a pharmacist dispensing a drug or supply pursuant to the program, a practitioner dispensing or administering a drug or supply pursuant to the program, or a donor of a drug or medical supply is immune from civil liability for an act or omission that causes injury to or the death of an individual to whom the drug or supply is dispensed and no disciplinary action by a health-related licensing board shall be taken against a pharmacist or practitioner so long as the drug or supply is donated, accepted, distributed, and dispensed according to the requirements of this section. This immunity does not apply if the act or omission involves reckless, wanton, or intentional misconduct, or malpractice unrelated to the quality of the drug or medical supply.

Subd. 13. **Drug returned for credit.** Nothing in this section allows a long-term care facility to donate a drug to a central or local repository when federal or state law requires the drug to be returned to the pharmacy that initially dispensed it, so that the pharmacy can credit the payer for the amount of the drug returned.

Subd. 14. **Cooperation.** The central repository, as approved by the Board of Pharmacy, may enter into an agreement with another state that has an established drug repository or drug donation program if the other state's program includes regulations to ensure the purity, integrity, and safety of the drugs and supplies donated, to permit the central repository to offer to another state program inventory that is not needed by a Minnesota resident and to accept inventory from another state program to be distributed to local repositories and dispensed to Minnesota residents in accordance with this program.

Subd. 15. **Funding.** The central repository may seek grants and other funds from nonprofit charitable organizations, the federal government, and other sources to fund the ongoing operations of the medication repository program.

Sec. 56. Minnesota Statutes 2020, section 152.125, is amended to read:

152.125 INTRACTABLE PAIN.

Subdivision 1. ~~**Definition**~~ **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Drug diversion" means the unlawful transfer of prescription drugs from their licit medical purpose to the illicit marketplace.

(c) "Intractable pain" means a pain state in which the cause of the pain cannot be removed or otherwise treated with the consent of the patient and in which, in the generally accepted course of medical practice, no relief or cure of the cause of the pain is possible, or none has been found after reasonable efforts. Conditions associated with intractable pain include but are not limited to cancer and the recovery period, sickle cell disease, noncancer pain, rare diseases, orphan diseases, severe injuries, and health conditions requiring the provision of palliative care or hospice care. Reasonable efforts for relieving or curing the cause of the pain may be determined on the basis of, but are not limited to, the following:

(1) when treating a nonterminally ill patient for intractable pain, an evaluation conducted by the attending physician and one or more physicians specializing in pain medicine or the treatment of the area, system, or organ of the body confirmed or perceived as the source of the intractable pain; or

(2) when treating a terminally ill patient, an evaluation conducted by the attending physician who does so in accordance with the standard of care and the level of care, skill, and treatment that would be recognized by a reasonably prudent physician under similar conditions and circumstances.

(d) "Palliative care" has the meaning provided in section 144A.75, subdivision 12.

(e) "Rare disease" means a disease, disorder, or condition that affects fewer than 200,000 individuals in the United States and is chronic, serious, life altering, or life threatening.

Subd. 1a. **Criteria for the evaluation and treatment of intractable pain.** The evaluation and treatment of intractable pain when treating a nonterminally ill patient is governed by the following criteria:

(1) a diagnosis of intractable pain by the treating physician and either by a physician specializing in pain medicine or a physician treating the area, system, or organ of the body that is the source of the pain is sufficient to meet the definition of intractable pain; and

(2) the cause of the diagnosis of intractable pain must not interfere with medically necessary treatment including but not limited to prescribing or administering a controlled substance in Schedules II to V of section 152.02.

Subd. 2. **Prescription and administration of controlled substances for intractable pain.** (a) Notwithstanding any other provision of this chapter, a physician, advanced practice registered nurse, or physician assistant may prescribe or administer a controlled substance in Schedules II to V of section 152.02 to ~~an individual~~ a patient in the course of the physician's, advanced practice registered nurse's, or physician assistant's treatment of the ~~individual~~ patient for a diagnosed condition causing intractable pain. No physician, advanced practice registered nurse, or physician assistant shall be subject to disciplinary action by the Board of Medical Practice or Board of Nursing for appropriately prescribing or administering a controlled substance in Schedules II to V of section 152.02 in the course of treatment of ~~an individual~~ a patient for intractable pain, provided the physician, advanced practice registered nurse, or physician assistant:

(1) keeps accurate records of the purpose, use, prescription, and disposal of controlled substances, writes accurate prescriptions, and prescribes medications in conformance with chapter 147~~.~~ or 148 or in accordance with the current standard of care; and

(2) enters into a patient-provider agreement that meets the criteria in subdivision 5.

(b) No physician, advanced practice registered nurse, or physician assistant, acting in good faith and based on the needs of the patient, shall be subject to any civil or criminal action or investigation, disenrollment, or termination by the commissioner of health or human services solely for prescribing a dosage that equates to an upward deviation from morphine milligram equivalent dosage recommendations or thresholds specified in state or federal opioid prescribing guidelines or policies, including but not limited to the Guideline for Prescribing Opioids for Chronic Pain issued by the Centers for Disease Control and Prevention, Minnesota opioid prescribing guidelines, the Minnesota opioid prescribing improvement program, and the Minnesota quality improvement program established under section 256B.0638.

(c) A physician, advanced practice registered nurse, or physician assistant treating intractable pain by prescribing, dispensing, or administering a controlled substance in Schedules II to V of section 152.02 that includes but is not opioid analgesics must not taper a patient's medication dosage solely to meet a predetermined morphine milligram equivalent dosage recommendation or threshold if the patient is stable and compliant with the treatment plan, is experiencing no serious harm from the level of medication currently being prescribed or previously prescribed, and is in compliance with the patient-provider agreement as described in subdivision 5.

(d) A physician's, advanced practice registered nurse's, or physician assistant's decision to taper a patient's medication dosage must be based on factors other than a morphine milligram equivalent recommendation or threshold.

(e) No pharmacist, health plan company, or pharmacy benefit manager shall refuse to fill a prescription for an opiate issued by a licensed practitioner with the authority to prescribe opiates solely based on the prescription exceeding a predetermined morphine milligram equivalent dosage recommendation or threshold.

Subd. 3. **Limits on applicability.** This section does not apply to:

(1) a physician's, advanced practice registered nurse's, or physician assistant's treatment of ~~an individual~~ a patient for chemical dependency resulting from the use of controlled substances in Schedules II to V of section 152.02;

(2) the prescription or administration of controlled substances in Schedules II to V of section 152.02 to ~~an individual~~ a patient whom the physician, advanced practice registered nurse, or physician assistant knows to be using the controlled substances for nontherapeutic or drug diversion purposes;

(3) the prescription or administration of controlled substances in Schedules II to V of section 152.02 for the purpose of terminating the life of ~~an individual~~ a patient having intractable pain; or

(4) the prescription or administration of a controlled substance in Schedules II to V of section 152.02 that is not a controlled substance approved by the United States Food and Drug Administration for pain relief.

Subd. 4. **Notice of risks.** Prior to treating ~~an individual~~ a patient for intractable pain in accordance with subdivision 2, a physician, advanced practice registered nurse, or physician assistant shall discuss with the ~~individual~~ patient or the patient's legal guardian, if applicable, the risks associated with the controlled substances in Schedules II to V of section 152.02 to be prescribed or administered in the course of the physician's, advanced practice registered nurse's, or physician assistant's treatment of ~~an individual~~ a patient, and document the discussion in the ~~individual's~~ patient's record as required in the patient-provider agreement described in subdivision 5.

Subd. 5. **Patient-provider agreement.** (a) Before treating a patient for intractable pain, a physician, advanced practice registered nurse, or physician assistant and the patient or the patient's legal guardian, if applicable, must mutually agree to the treatment and enter into a provider-patient agreement. The agreement must include a description of the prescriber's and the patient's expectations, responsibilities, and rights according to best practices and current standards of care.

(b) The agreement must be signed by the patient or the patient's legal guardian, if applicable, and the physician, advanced practice registered nurse, or physician assistant and included in the patient's medical records. A copy of the signed agreement must be provided to the patient.

(c) The agreement must be reviewed by the patient and the physician, advanced practice registered nurse, or physician assistant annually. If there is a change in the patient's treatment plan, the agreement must be updated and a revised agreement must be signed by the patient or the patient's legal guardian. A copy of the revised agreement must be included in the patient's medical record and a copy must be provided to the patient.

(d) A patient-provider agreement is not required in an emergency or inpatient hospital setting.

Sec. 57. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, by a physician enrolled in the medical assistance program as a dispensing physician, or by a physician, a physician assistant, or an advanced practice registered nurse employed by or under contract with a community health board as defined in section 145A.02, subdivision 5, for the purposes of communicable disease control.

(b) The dispensed quantity of a prescription drug must not exceed a 34-day supply, unless authorized by the commissioner or the drug appears on the 90-day supply list published by the commissioner. The 90-day supply list shall be published by the commissioner on the department's website. The commissioner may add to, delete from, and otherwise modify the 90-day supply list after providing public notice and the opportunity for a 15-day public comment period. The 90-day supply list may include cost-effective generic drugs and shall not include controlled substances.

(c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical ingredient" is defined as a substance that is represented for use in a drug and when used in the manufacturing, processing, or packaging of a drug becomes an active ingredient of the drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and excipients which are included in the medical assistance formulary. Medical assistance covers selected active pharmaceutical ingredients and excipients used in compounded prescriptions when the compounded combination is specifically approved by the commissioner or when a commercially available product:

(1) is not a therapeutic option for the patient;

(2) does not exist in the same combination of active ingredients in the same strengths as the compounded prescription; and

(3) cannot be used in place of the active pharmaceutical ingredient in the compounded prescription.

(d) Medical assistance covers the following over-the-counter drugs when prescribed by a licensed practitioner or by a licensed pharmacist who meets standards established by the commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, vitamins for children under the age of seven and pregnant or nursing women, and any other over-the-counter drug identified by the commissioner, in consultation with the Formulary Committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions, or disorders, and this determination shall not be subject to the requirements of chapter 14. A pharmacist may prescribe over-the-counter medications as provided under this paragraph for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter drugs under this paragraph, licensed pharmacists must consult with the recipient to determine necessity, provide drug counseling, review drug therapy for potential adverse interactions, and make referrals as needed to other health care professionals.

(e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible for drug coverage as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these individuals, medical assistance may cover drugs from the drug classes listed in United States Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall not be covered.

(f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B covered entities and ambulatory pharmacies under common ownership of the 340B covered entity. Medical assistance does not cover drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

(g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 16.

(h) Medical assistance coverage of, and reimbursement for, antiretroviral drugs to prevent the acquisition of human immunodeficiency virus (HIV) and any laboratory testing necessary for therapy that uses these drugs must meet the requirements that would otherwise apply to a health plan under section 62Q.524.

Sec. 58. Minnesota Statutes 2020, section 256B.0625, subdivision 13f, is amended to read:

Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and recommend drugs which require prior authorization. The Formulary Committee shall establish general criteria to be used for the prior authorization of brand-name drugs for which generically equivalent drugs are available, but the committee is not required to review each brand-name drug for which a generically equivalent drug is available.

(b) Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The Formulary Committee may recommend drugs for prior authorization directly to the commissioner. The commissioner may also request that the Formulary Committee review a drug for prior authorization. Before the commissioner may require prior authorization for a drug:

(1) the commissioner must provide information to the Formulary Committee on the impact that placing the drug on prior authorization may have on the quality of patient care and on program costs, information regarding whether the drug is subject to clinical abuse or misuse, and relevant data from the state Medicaid program if such data is available;

(2) the Formulary Committee must review the drug, taking into account medical and clinical data and the information provided by the commissioner; and

(3) the Formulary Committee must hold a public forum and receive public comment for an additional 15 days.

The commissioner must provide a 15-day notice period before implementing the prior authorization.

(c) Except as provided in subdivision 13j, prior authorization shall not be required or utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness if:

(1) there is no generically equivalent drug available; and

(2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

(3) the drug is part of the recipient's current course of treatment.

This paragraph applies to any multistate preferred drug list or supplemental drug rebate program established or administered by the commissioner. Prior authorization shall automatically be granted for 60 days for brand name drugs prescribed for treatment of mental illness within 60 days of when a generically equivalent drug becomes available, provided that the brand name drug was part of the recipient's course of treatment at the time the generically equivalent drug became available.

(d) The commissioner may require prior authorization for brand name drugs whenever a generically equivalent product is available, even if the prescriber specifically indicates "dispense as written-brand necessary" on the prescription as required by section 151.21, subdivision 2.

(e) Notwithstanding this subdivision, the commissioner may automatically require prior authorization, for a period not to exceed 180 days, for any drug that is approved by the United States Food and Drug Administration on or after July 1, 2005. The 180-day period begins no later than the first day that a drug is available for shipment to pharmacies within the state. The Formulary Committee shall recommend to the commissioner general criteria to be used for the prior authorization of the drugs, but the committee is not required to review each individual drug. In order to continue prior authorizations for a drug after the 180-day period has expired, the commissioner must follow the provisions of this subdivision.

(f) Prior authorization under this subdivision shall comply with ~~section~~ sections 62Q.184 and 62Q.1842.

(g) Any step therapy protocol requirements established by the commissioner must comply with ~~section~~ sections 62Q.1841 and 62Q.1842.

Sec. 59. **STUDY OF PHARMACY AND PROVIDER CHOICE OF BIOLOGICAL PRODUCTS.**

The commissioner of health, within the limits of existing resources, shall analyze the effect of Minnesota Statutes, section 62W.0751, on the net price for different payors of biological products, interchangeable biological products, and biosimilar products. The commissioner of health shall report findings to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy and insurance by December 15, 2024.

ARTICLE 7
HEALTH INSURANCE

Section 1. Minnesota Statutes 2020, section 62A.25, subdivision 2, is amended to read:

Subd. 2. **Required coverage.** (a) Every policy, plan, certificate or contract to which this section applies shall provide benefits for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician.

(b) The coverage limitations on reconstructive surgery in paragraph (a) do not apply to reconstructive breast surgery: (1) following mastectomies; or (2) if the patient has been diagnosed with ectodermal dysplasia and has congenitally absent breast tissue or nipples. ~~In these cases, Coverage for reconstructive surgery must be provided if the mastectomy is medically necessary as determined by the attending physician.~~

(c) Reconstructive surgery benefits include all stages of reconstruction ~~of the breast on which the mastectomy has been performed~~, including surgery and reconstruction of the other breast to produce a symmetrical appearance, and prosthesis and physical complications at all stages ~~of a mastectomy~~, including lymphedemas, in a manner determined in consultation with the attending physician and patient. Coverage may be subject to annual deductible, co-payment, and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage. Coverage may not:

(1) deny to a patient eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section; and

(2) penalize or otherwise reduce or limit the reimbursement of an attending provider, or provide monetary or other incentives to an attending provider to induce the provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section.

Written notice of the availability of the coverage must be delivered to the participant upon enrollment and annually thereafter.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to health plans offered, issued, or sold on or after that date.

Sec. 2. **[62A.255] COVERAGE OF LYMPHEDEMA TREATMENT.**

Subdivision 1. **Scope of coverage.** This section applies to all health plans that are sold, issued, or renewed to a Minnesota resident.

Subd. 2. **Required coverage.** (a) Each health plan must provide coverage for lymphedema treatment, including coverage for compression treatment items, complex decongestive therapy, and outpatient self-management training and education during lymphedema treatment if prescribed by a licensed health care professional. Lymphedema compression treatment items include: (1) compression garments, stockings, and sleeves; (2) compression devices; and (3) bandaging systems, components, and supplies that are primarily and customarily used in the treatment of lymphedema.

(b) If applicable to the enrollee's health plan, a health carrier may require the prescribing health care professional to be within the enrollee's health plan provider network if the provider network meets network adequacy requirements under section 62K.10.

(c) A health plan must not apply any cost-sharing requirements, benefit limitations, or service limitations for lymphedema treatment and compression treatment items that place a greater financial burden on the enrollee or are more restrictive than cost-sharing requirements or limitations applied by the health plan to other similar services or benefits.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to any health plan issued, sold, or renewed on or after that date.

Sec. 3. Minnesota Statutes 2020, section 62A.28, subdivision 2, is amended to read:

Subd. 2. **Required coverage.** Every policy, plan, certificate, or contract referred to in subdivision 1 ~~issued or renewed after August 1, 1987,~~ must provide coverage for scalp hair prostheses worn for hair loss suffered as a result of alopecia areata or ectodermal dysplasias.

The coverage required by this section is subject to the co-payment, coinsurance, deductible, and other enrollee cost-sharing requirements that apply to similar types of items under the policy, plan, certificate, or contract and may be limited to one prosthesis per benefit year.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to health plans offered, issued, or sold on or after that date.

Sec. 4. Minnesota Statutes 2020, section 62A.30, is amended by adding a subdivision to read:

Subd. 5. **Mammogram; diagnostic services and testing.** If a health care provider determines an enrollee requires additional diagnostic services or testing after a mammogram, a health plan must provide coverage for the additional diagnostic services or testing with no cost sharing, including co-pay, deductible, or coinsurance.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to health plans offered, issued, or sold on or after that date.

Sec. 5. **[62A.3096] COVERAGE FOR ECTODERMAL DYSPLASIAS.**

Subdivision 1. **Definition.** For purposes of this chapter, "ectodermal dysplasias" means a genetic disorder involving the absence or deficiency of tissues and structures derived from the embryonic ectoderm.

Subd. 2. **Coverage.** A health plan must provide coverage for the treatment of ectodermal dysplasias.

Subd. 3. **Dental coverage.** (a) A health plan must provide coverage for dental treatments related to ectodermal dysplasias. Covered dental treatments must include but are not limited to bone grafts, dental implants, orthodontia, dental prosthodontics, and dental maintenance.

(b) If a dental treatment is eligible for coverage under a dental insurance plan or other health plan, the coverage under this subdivision is secondary.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to health plans offered, issued, or sold on or after that date.

Sec. 6. **[62Q.451] UNRESTRICTED ACCESS TO SERVICES FOR THE DIAGNOSIS, MONITORING, AND TREATMENT OF RARE DISEASES.**

(a) No health plan company may restrict the choice of an enrollee as to where the enrollee receives services from a licensed health care provider related to the diagnosis, monitoring, and treatment of a rare disease or condition. Except as provided in paragraph (b), for purposes of this section, "rare disease or condition" means any disease or condition:

(1) that affects fewer than 200,000 persons in the United States and is chronic, serious, life-altering, or life-threatening;

(2) that affects more than 200,000 persons in the United States and a drug for treatment has been designated as such pursuant to United States Code, title 21, section 360bb;

(3) that is labeled as a rare disease or condition on the Genetic and Rare Diseases Information Center list created by the National Institutes of Health; or

(4) for which a pediatric patient:

(i) has received two or more clinical consultations from a primary care provider or specialty provider;

(ii) has a delay in skill acquisition and development, regression in skill acquisition, failure to thrive, or multisystemic involvement; and

(iii) had laboratory or clinical testing that failed to provide a definitive diagnosis or resulted in conflicting diagnoses.

(b) A rare disease or condition does not include an infectious disease that has widely available and known protocols for diagnosis and treatment and that is commonly treated in a primary care setting, even if it affects less than 200,000 persons in the United States.

(c) Cost-sharing requirements and benefit or services limitations for the diagnosis and treatment of a rare disease or condition must not place a greater financial burden on the enrollee or be more restrictive than those requirements for in-network medical treatment.

(d) This section does not apply to health plan coverage provided through the State Employee Group Insurance Program (SEGIP) under chapter 43A.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 7. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 68. **Services for the diagnosis, monitoring, and treatment of rare diseases.** Medical assistance coverage for services related to the diagnosis, monitoring, and treatment of a rare disease or condition must meet the requirements in section 62Q.451.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 8. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 69. **Ectodermal dysplasias.** Medical assistance and MinnesotaCare cover treatment for ectodermal dysplasias. Coverage must meet the requirements of sections 62A.25, 62A.28, and 62A.3096.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 9. Minnesota Statutes 2020, section 256B.0631, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** Co-payments and deductibles shall be subject to the following exceptions:

(1) children under the age of 21;

(2) pregnant women for services that relate to the pregnancy or any other medical condition that may complicate the pregnancy;

(3) recipients expected to reside for at least 30 days in a hospital, nursing home, or intermediate care facility for the developmentally disabled;

(4) recipients receiving hospice care;

(5) 100 percent federally funded services provided by an Indian health service;

(6) emergency services;

(7) family planning services;

(8) services that are paid by Medicare, resulting in the medical assistance program paying for the coinsurance and deductible;

(9) co-payments that exceed one per day per provider for nonpreventive visits, eyeglasses, and nonemergency visits to a hospital-based emergency room;

(10) services, fee-for-service payments subject to volume purchase through competitive bidding;

(11) American Indians who meet the requirements in Code of Federal Regulations, title 42, sections 447.51 and 447.56;

(12) persons needing treatment for breast or cervical cancer as described under section 256B.057, subdivision 10; ~~and~~

(13) services that currently have a rating of A or B from the United States Preventive Services Task Force (USPSTF), immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, and preventive services and screenings provided to women as described in Code of Federal Regulations, title 45, section 147.130~~.~~; and

(14) 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.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 10. Minnesota Statutes 2020, 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 shall 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) 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.

EFFECTIVE DATE. This section is effective January 1, 2023.

ARTICLE 8
MISCELLANEOUS

Section 1. Minnesota Statutes 2020, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible cannabinoid products, as defined in section 151.72, subdivision 1, paragraph (c), are not food.

Sec. 2. Minnesota Statutes 2020, section 137.68, is amended to read:

137.68 MINNESOTA RARE DISEASE ADVISORY COUNCIL ~~ON RARE DISEASES~~.

Subdivision 1. **Establishment.** ~~The University of Minnesota is requested to establish~~ There is established an advisory council on rare diseases to provide advice on policies, access, equity, research, diagnosis, treatment, and education related to rare diseases. The advisory council is established in honor of Chloe Barnes and her experiences in the health care system. For purposes of this section, "rare disease" has the meaning given in United States Code, title 21, section 360bb. The council shall be called the ~~Chloe Barnes Advisory Council on Rare Diseases~~ Minnesota Rare Disease Advisory Council. The Council on Disability shall house the advisory council.

Subd. 2. **Membership.** (a) The advisory council ~~may~~ shall consist of at least 17 public members who reflect statewide representation and are appointed by ~~the Board of Regents or a designee~~ the governor according to paragraph (b) and four members of the legislature appointed according to paragraph (c).

(b) ~~The Board of Regents or a designee is requested to~~ The governor shall appoint at least the following public members according to section 15.059:

(1) three physicians licensed and practicing in the state with experience researching, diagnosing, or treating rare diseases, including one specializing in pediatrics;

(2) one registered nurse or advanced practice registered nurse licensed and practicing in the state with experience treating rare diseases;

(3) at least two hospital administrators, or their designees, from hospitals in the state that provide care to persons diagnosed with a rare disease. One administrator or designee appointed under this clause must represent a hospital in which the scope of service focuses on rare diseases of pediatric patients;

(4) three persons age 18 or older who either have a rare disease or are a caregiver of a person with a rare disease. One person appointed under this clause must reside in rural Minnesota;

(5) a representative of a rare disease patient organization that operates in the state;

(6) a social worker with experience providing services to persons diagnosed with a rare disease;

(7) a pharmacist with experience with drugs used to treat rare diseases;

(8) a dentist licensed and practicing in the state with experience treating rare diseases;

(9) a representative of the biotechnology industry;

(10) a representative of health plan companies;

(11) a medical researcher with experience conducting research on rare diseases; ~~and~~

(12) a genetic counselor with experience providing services to persons diagnosed with a rare disease or caregivers of those persons~~.~~; and

(13) representatives with other areas of expertise as identified by the advisory council.

(c) The advisory council shall include two members of the senate, one appointed by the majority leader and one appointed by the minority leader; and two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader.

(d) The commissioner of health or a designee, a representative of Mayo Medical School, and a representative of the University of Minnesota Medical School shall serve as ex officio, nonvoting members of the advisory council.

(e) ~~Initial appointments to the advisory council shall be made no later than September 1, 2019.~~ Notwithstanding section 15.059, members appointed according to paragraph (b) shall serve for a term of three years, except that the initial members appointed according to paragraph (b) shall have an initial term of two, three, or four years determined by lot by the chairperson. Members appointed according to paragraph (b) shall serve until their successors have been appointed.

(f) Members may be reappointed for additional terms according to the advisory council's operating procedures.

Subd. 3. **Meetings.** ~~The Board of Regents or a designee is requested to convene the first meeting of the advisory council no later than October 1, 2019.~~ The advisory council shall meet at the call of the chairperson or at the request of a majority of advisory council members. Meetings of the advisory council are subject to section 13D.01, and notice of its meetings is governed by section 13D.04.

Subd. 3a. **Chairperson; executive director; staff; executive committee.** (a) The advisory council shall elect a chairperson and other officers as it deems necessary and in accordance with the advisory council's operating procedures.

(b) The advisory council shall be governed by an executive committee elected by the members of the advisory council. One member of the executive committee must be the advisory council chairperson.

(c) The advisory council shall appoint an executive director. The executive director serves as an ex officio nonvoting member of the executive committee. The advisory council may delegate to the executive director any powers and duties under this section that do not require advisory council approval. The executive director serves in the unclassified service and may be removed at any time by a majority vote of the advisory council. The executive director may employ and direct staff necessary to carry out advisory council mandates, policies, activities, and objectives.

(d) The executive committee may appoint additional subcommittees and work groups as necessary to fulfill the duties of the advisory council.

Subd. 4. **Duties.** (a) The advisory council's duties may include, but are not limited to:

(1) in conjunction with the state's medical schools, the state's schools of public health, and hospitals in the state that provide care to persons diagnosed with a rare disease, developing resources or recommendations relating to quality of and access to treatment and services in the state for persons with a rare disease, including but not limited to:

(i) a list of existing, publicly accessible resources on research, diagnosis, treatment, and education relating to rare diseases;

(ii) identifying best practices for rare disease care implemented in other states, at the national level, and at the international level that will improve rare disease care in the state and seeking opportunities to partner with similar organizations in other states and countries;

(iii) identifying and addressing problems faced by patients with a rare disease when changing health plans, including recommendations on how to remove obstacles faced by these patients to finding a new health plan and how to improve the ease and speed of finding a new health plan that meets the needs of patients with a rare disease; ~~and~~

(iv) identifying and addressing barriers faced by patients with a rare disease to obtaining care, caused by prior authorization requirements in private and public health plans; and

~~(iv)~~ (v) identifying, recommending, and implementing best practices to ensure health care providers are adequately informed of the most effective strategies for recognizing and treating rare diseases; ~~and~~

(2) advising, consulting, and cooperating with the Department of Health, including the Advisory Committee on Heritable and Congenital Disorders~~,~~; the Department of Human Services, including the Drug Utilization Review Board and the Drug Formulary Committee; and other agencies of state government in developing recommendations, information, and programs for the public and the health care community relating to diagnosis, treatment, and awareness of rare diseases~~.~~;

(3) advising on policy issues and advancing policy initiatives at the state and federal levels; and

(4) receiving funds and issuing grants.

(b) The advisory council shall collect additional topic areas for study and evaluation from the general public. In order for the advisory council to study and evaluate a topic, the topic must be approved for study and evaluation by the advisory council.

Subd. 5. **Conflict of interest.** Advisory council members are subject to the ~~Board of Regents policy on conflicts~~ advisory council's conflict of interest policy as outlined in the advisory council's operating procedures.

Subd. 6. **Annual report.** By January 1 of each year, beginning January 1, 2020, the advisory council shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education and health care policy on the advisory council's activities under subdivision 4 and other issues on which the advisory council may choose to report.

Sec. 3. Minnesota Statutes 2020, section 151.72, subdivision 1, is amended to read:

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

(b) "Certified hemp" means hemp plants that have been tested and found to meet the requirements of chapter 18K and the rules adopted thereunder.

(c) "Edible cannabinoid product" means any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

~~(b)~~ (d) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

(e) "Label" has the meaning given in section 151.01, subdivision 18.

~~(c)~~ (f) "Labeling" means all labels and other written, printed, or graphic matter that are:

(1) affixed to the immediate container in which a product regulated under this section is sold; ~~or~~

(2) provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets~~.~~; or

(3) provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.

(g) "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

(h) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

Sec. 4. Minnesota Statutes 2020, section 151.72, subdivision 2, is amended to read:

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains ~~nonintoxicating~~ cannabinoids extracted from hemp ~~other than food~~ and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration.

(b) This section does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to sections 152.22 to 152.37.

(c) The board must have no authority over food products, as defined in section 34A.01, subdivision 4, that do not contain cannabinoids extracted or derived from hemp.

Sec. 5. Minnesota Statutes 2020, section 151.72, subdivision 3, is amended to read:

Subd. 3. **Sale of cannabinoids derived from hemp.** (a) Notwithstanding any other section of this chapter, a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met, provided that a product sold for human or animal consumption does not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product does not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) No other substance extracted or otherwise derived from hemp may be sold for human consumption if the substance is intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals; or

(2) to affect the structure or any function of the bodies of humans or other animals.

(c) No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any individual who is under the age of 21.

(d) Products that meet the requirements of this section are not controlled substances under section 152.02.

Sec. 6. Minnesota Statutes 2020, section 151.72, subdivision 4, is amended to read:

Subd. 4. **Testing requirements.** (a) A manufacturer of a product regulated under this section must submit representative samples of the product to an independent, accredited laboratory in order to certify that the product complies with the standards adopted by the board. Testing must be consistent with generally accepted industry standards for herbal and botanical substances, and, at a minimum, the testing must confirm that the product:

(1) contains the amount or percentage of cannabinoids that is stated on the label of the product;

(2) does not contain more than trace amounts of any mold, residual solvents, pesticides, fertilizers, or heavy metals; and

(3) does not contain ~~a delta-9 tetrahydrocannabinol concentration that exceeds the concentration permitted for industrial hemp as defined in section 18K.02, subdivision 3~~ more than 0.3 percent of any tetrahydrocannabinol.

(b) Upon the request of the board, the manufacturer of the product must provide the board with the results of the testing required in this section.

(c) Testing of the hemp from which the nonintoxicating cannabinoid was derived, or possession of a certificate of analysis for such hemp, does not meet the testing requirements of this section.

Sec. 7. Minnesota Statutes 2021 Supplement, section 151.72, subdivision 5, is amended to read:

Subd. 5. **Labeling requirements.** (a) A product regulated under this section must bear a label that contains, at a minimum:

(1) the name, location, contact phone number, and website of the manufacturer of the product;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product; and

(3) an accurate statement of the amount or percentage of cannabinoids found in each unit of the product meant to be consumed~~; or~~.

~~(4) instead of the information required in clauses (1) to (3), a scannable bar code or QR code that links to the manufacturer's website.~~

(b) The information in paragraph (a) may be provided on an outer package if the immediate container that holds the product is too small to contain all of the information.

(c) The information required in paragraph (a) may be provided through the use of a scannable barcode or matrix barcode that links to a page on the manufacturer's website if that page contains all of the information required by this subdivision.

(d) The label must also include a statement stating that ~~this~~ the product does not claim to diagnose, treat, cure, or prevent any disease and has not been evaluated or approved by the United States Food and Drug Administration (FDA) unless the product has been so approved.

~~(b)~~ (e) The information required ~~to be on the label~~ by this subdivision must be prominently and conspicuously placed ~~and~~ on the label or displayed on the website in terms that can be easily read and understood by the consumer.

~~(c)~~ (f) The ~~label~~ labeling must not contain any claim that the product may be used or is effective for the prevention, treatment, or cure of a disease or that it may be used to alter the structure or function of human or animal bodies, unless the claim has been approved by the FDA.

Sec. 8. Minnesota Statutes 2020, section 151.72, is amended by adding a subdivision to read:

Subd. 5a. **Additional requirements for edible cannabinoid products.** (a) In addition to the testing and labeling requirements under subdivisions 4 and 5, an edible cannabinoid must meet the requirements of this subdivision.

(b) An edible cannabinoid product must not:

(1) bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;

(2) be modeled after a brand of products primarily consumed by or marketed to children;

(3) be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;

(4) contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;

(5) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

(6) be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

(c) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage and which contains no more than a trace amount of any tetrahydrocannabinol.

(d) If an edible cannabinoid product is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

(1) the serving size;

(2) the cannabinoid profile per serving and in total;

(3) a list of ingredients, including identification of any major food allergens declared by name; and

(4) the following statement: "Keep this product out of reach of children."

(f) An edible cannabinoid product must not contain more than five milligrams of any tetrahydrocannabinol in a single serving, or more than a total of 50 milligrams of any tetrahydrocannabinol per package.

Sec. 9. Minnesota Statutes 2020, section 151.72, subdivision 6, is amended to read:

Subd. 6. **Enforcement.** (a) A product ~~sold~~ regulated under this section, including an edible cannabinoid product, shall be considered an adulterated drug if:

(1) it consists, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) it has been produced, prepared, packed, or held under unsanitary conditions where it may have been rendered injurious to health, or where it may have been contaminated with filth;

(3) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) it contains any food additives, color additives, or excipients that have been found by the FDA to be unsafe for human or animal consumption; ~~or~~

(5) it contains an amount or percentage of nonintoxicating cannabinoids that is different than the amount or percentage stated on the label~~.~~;

(6) it contains more than 0.3 percent of any tetrahydrocannabinol or, if the product is an edible cannabinoid product, an amount of tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f); or

(7) it contains more than trace amounts of mold, residual solvents, pesticides, fertilizers, or heavy metals.

(b) A product ~~sold~~ regulated under this section shall be considered a misbranded drug if the product's labeling is false or misleading in any manner or in violation of the requirements of this section.

(c) The board's authority to issue cease and desist orders under section 151.06; to embargo adulterated and misbranded drugs under section 151.38; and to seek injunctive relief under section 214.11, extends to any violation of this section.

Sec. 10. Minnesota Statutes 2020, section 152.01, subdivision 23, is amended to read:

Subd. 23. **Analog.** (a) Except as provided in paragraph (b), "analog" means a substance, the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II:

(1) that has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II; or

(2) with respect to a particular person, if the person represents or intends that the substance have a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II.

(b) "Analog" does not include:

(1) a controlled substance;

(2) any substance for which there is an approved new drug application under the Federal Food, Drug, and Cosmetic Act; ~~or~~

(3) with respect to a particular person, any substance, if an exemption is in effect for investigational use, for that person, as provided by United States Code, title 21, section 355, and the person is registered as a controlled substance researcher as required under section 152.12, subdivision 3, to the extent conduct with respect to the substance is pursuant to the exemption and registration; or

(4) marijuana or tetrahydrocannabinols naturally contained in a plant of the genus cannabis or in the resinous extractives of the plant.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2020, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

(1) acetylmethadol;

(2) allylprodine;

(3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);

(4) alphameprodine;

(5) alphamethadol;

(6) alpha-methylfentanyl benzethidine;

(7) betacetylmethadol;

(8) betameprodine;

(9) betamethadol;

(10) betaprodine;

(11) clonitazene;

(12) dextromoramide;

(13) diampromide;

(14) diethyliambutene;

(15) difenoxin;

(16) dimenoxadol;

(17) dimepheptanol;

(18) dimethyliambutene;

(19) dioxaphetyl butyrate;

(20) dipipanone;

(21) ethylmethylthiambutene;

(22) etonitazene;

(23) etoxeridine;

(24) furethidine;

(25) hydroxypethidine;

(26) ketobemidone;

(27) levomoramide;

(28) levophenacylmorphan;

(29) 3-methylfentanyl;

(30) acetyl-alpha-methylfentanyl;

(31) alpha-methylthiofentanyl;

(32) benzylfentanyl beta-hydroxyfentanyl;

(33) beta-hydroxy-3-methylfentanyl;

(34) 3-methylthiofentanyl;

(35) thenylfentanyl;

(36) thiofentanyl;

(37) para-fluorofentanyl;

(38) morpheridine;

(39) 1-methyl-4-phenyl-4-propionoxypiperidine;

(40) noracymethadol;

(41) norlevorphanol;

(42) normethadone;

(43) norpipanone;

(44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);

(45) phenadoxone;

(46) phenampromide;

(47) phenomorphan;

(48) phenoperidine;

(49) piritramide;

(50) proheptazine;

(51) properidine;

(52) propiram;

(53) racemoramide;

(54) tilidine;

(55) trimeperidine;

(56) N-(1-Phenethylpiperidin-4-yl)-N-phenylacetamide (acetyl fentanyl);

(57) 3,4-dichloro-N-[(1R,2R)-2-(dimethylamino)cyclohexyl]-N-methylbenzamide(U47700);

(58) N-phenyl-N-[1-(2-phenylethyl)piperidin-4-yl]furan-2-carboxamide (furanylfentanyl);

(59) 4-(4-bromophenyl)-4-dimethylamino-1-phenethylcyclohexanol (bromadol);

(60) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopropanecarboxamide (Cyclopropryl fentanyl);

(61) N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide) (butyryl fentanyl);

(62) 1-cyclohexyl-4-(1,2-diphenylethyl)piperazine) (MT-45);

(63) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopentanecarboxamide (cyclopentyl fentanyl);

(64) N-(1-phenethylpiperidin-4-yl)-N-phenylisobutyramide (isobutyryl fentanyl);

(65) N-(1-phenethylpiperidin-4-yl)-N-phenylpentanamide (valeryl fentanyl);

(66) N-(4-chlorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (para-chloroisobutyryl fentanyl);

(67) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-fluorobutyryl fentanyl);

(68) N-(4-methoxyphenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-methoxybutyryl fentanyl);

(69) N-(2-fluorophenyl)-2-methoxy-N-(1-phenethylpiperidin-4-yl)acetamide (ocfentanil);

(70) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (4-fluoroisobutyryl fentanyl or para-fluoroisobutyryl fentanyl);

(71) N-(1-phenethylpiperidin-4-yl)-N-phenylacrylamide (acryl fentanyl or acryloylfentanyl);

(72) 2-methoxy-N-(1-phenethylpiperidin-4-yl)-N-phenylacetamide (methoxyacetyl fentanyl);

(73) N-(2-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)propionamide (ortho-fluorofentanyl or 2-fluorofentanyl);

(74) N-(1-phenethylpiperidin-4-yl)-N-phenyltetrahydrofuran-2-carboxamide (tetrahydrofuranyl fentanyl); and

(75) Fentanyl-related substances, their isomers, esters, ethers, salts and salts of isomers, esters and ethers, meaning any substance not otherwise listed under another federal Administration Controlled Substance Code Number or not otherwise listed in this section, and for which no exemption or approval is in effect under section 505 of the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 355, that is structurally related to fentanyl by one or more of the following modifications:

(i) replacement of the phenyl portion of the phenethyl group by any monocycle, whether or not further substituted in or on the monocycle;

(ii) substitution in or on the phenethyl group with alkyl, alkenyl, alkoxyl, hydroxyl, halo, haloalkyl, amino, or nitro groups;

(iii) substitution in or on the piperidine ring with alkyl, alkenyl, alkoxyl, ester, ether, hydroxyl, halo, haloalkyl, amino, or nitro groups;

(iv) replacement of the aniline ring with any aromatic monocycle whether or not further substituted in or on the aromatic monocycle; or

(v) replacement of the N-propionyl group by another acyl group.

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) acetorphine;

(2) acetyldihydrocodeine;

(3) benzylmorphine;

(4) codeine methylbromide;

(5) codeine-n-oxide;

(6) cyprenorphine;

(7) desomorphine;

(8) dihydromorphine;

(9) drotebanol;

(10) etorphine;

(11) heroin;

(12) hydromorphinol;

(13) methyldesorphine;

(14) methyldihydromorphine;

(15) morphine methylbromide;

(16) morphine methylsulfonate;

(17) morphine-n-oxide;

(18) myrophine;

(19) nicocodeine;

(20) nicomorphine;

(21) normorphine;

(22) pholcodine; and

(23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric), and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) methylenedioxy amphetamine;

(2) methylenedioxymethamphetamine;

(3) methylenedioxy-N-ethylamphetamine (MDEA);

(4) n-hydroxy-methylenedioxyamphetamine;

(5) 4-bromo-2,5-dimethoxyamphetamine (DOB);

(6) 2,5-dimethoxyamphetamine (2,5-DMA);

(7) 4-methoxyamphetamine;

(8) 5-methoxy-3, 4-methylenedioxyamphetamine;

(9) alpha-ethyltryptamine;

(10) bufotenine;

(11) diethyltryptamine;

(12) dimethyltryptamine;

(13) 3,4,5-trimethoxyamphetamine;

(14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);

(15) ibogaine;

(16) lysergic acid diethylamide (LSD);

(17) mescaline;

(18) parahexyl;

(19) N-ethyl-3-piperidyl benzilate;

(20) N-methyl-3-piperidyl benzilate;

(21) psilocybin;

(22) psilocyn;

(23) tenocyclidine (TPCP or TCP);

(24) N-ethyl-1-phenyl-cyclohexylamine (PCE);

(25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);

(26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);

(27) 4-chloro-2,5-dimethoxyamphetamine (DOC);

(28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);

(29) 4-iodo-2,5-dimethoxyamphetamine (DOI);

(30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);

(31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);

(32) 4-methyl-2,5-dimethoxyphenethylamine (2C-D);

(33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);

(34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);

(35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);

(36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);

(37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);

(38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);

(39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);

(40) alpha-methyltryptamine (AMT);

(41) N,N-diisopropyltryptamine (DiPT);

(42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);

(43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);

(44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);

(45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);

(46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);

(47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);

(48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);

(49) 5-methoxy-α-methyltryptamine (5-MeO-AMT);

(50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);

(51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);

(52) 5-methoxy-N-methyl-N-isopropyltryptamine (5-MeO-MiPT);

(53) 5-methoxy-α-ethyltryptamine (5-MeO-AET);

(54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);

(55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);

(56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);

(57) methoxetamine (MXE);

(58) 5-iodo-2-aminoindane (5-IAI);

(59) 5,6-methylenedioxy-2-aminoindane (MDAI);

(60) 2-(4-bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25B-NBOMe);

(61) 2-(4-chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25C-NBOMe);

(62) 2-(4-iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25I-NBOMe);

(63) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H);

(64) 2-(4-Ethylthio-2,5-dimethoxyphenyl)ethanamine (2C-T-2);

(65) N,N-Dipropyltryptamine (DPT);

(66) 3-[1-(Piperidin-1-yl)cyclohexyl]phenol (3-HO-PCP);

(67) N-ethyl-1-(3-methoxyphenyl)cyclohexanamine (3-MeO-PCE);

(68) 4-[1-(3-methoxyphenyl)cyclohexyl]morpholine (3-MeO-PCMo);

(69) 1-[1-(4-methoxyphenyl)cyclohexyl]-piperidine (methoxydine, 4-MeO-PCP);

(70) 2-(2-Chlorophenyl)-2-(ethylamino)cyclohexan-1-one (N-Ethylnorketamine, ethketamine, NENK);

(71) methylenedioxy-N,N-dimethylamphetamine (MDDMA);

(72) 3-(2-Ethyl(methyl)aminoethyl)-1H-indol-4-yl (4-AcO-MET); and

(73) 2-Phenyl-2-(methylamino)cyclohexanone (deschloroketamine).

(e) Peyote. All parts of the plant presently classified botanically as Lophophora williamsii Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) mecloqualone;

(2) methaqualone;

(3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;

(4) flunitrazepam;

(5) 2-(2-Methoxyphenyl)-2-(methylamino)cyclohexanone (2-MeO-2-deschloroketamine, methoxyketamine);

(6) tianeptine;

(7) clonazolam;

(8) etizolam;

(9) flubromazolam; and

(10) flubromazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) aminorex;

(2) cathinone;

(3) fenethylline;

(4) methcathinone;

(5) methylaminorex;

(6) N,N-dimethylamphetamine;

(7) N-benzylpiperazine (BZP);

(8) methylmethcathinone (mephedrone);

(9) 3,4-methylenedioxy-N-methylcathinone (methylone);

(10) methoxymethcathinone (methedrone);

(11) methylenedioxypyrovalerone (MDPV);

(12) 3-fluoro-N-methylcathinone (3-FMC);

(13) methylethcathinone (MEC);

(14) 1-benzofuran-6-ylpropan-2-amine (6-APB);

(15) dimethylmethcathinone (DMMC);

(16) fluoroamphetamine;

(17) fluoromethamphetamine;

(18) α-methylaminobutyrophenone (MABP or buphedrone);

(19) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)butan-1-one (butylone);

(20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);

(21) 1-(naphthalen-2-yl)-2-(pyrrolidin-1-yl) pentan-1-one (naphthylpyrovalerone or naphyrone);

(22) (alpha-pyrrolidinopentiophenone (alpha-PVP);

(23) (RS)-1-(4-methylphenyl)-2-(1-pyrrolidinyl)-1-hexanone (4-Me-PHP or MPHP);

(24) 2-(1-pyrrolidinyl)-hexanophenone (Alpha-PHP);

(25) 4-methyl-N-ethylcathinone (4-MEC);

(26) 4-methyl-alpha-pyrrolidinopropiophenone (4-MePPP);

(27) 2-(methylamino)-1-phenylpentan-1-one (pentedrone);

(28) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)pentan-1-one (pentylone);

(29) 4-fluoro-N-methylcathinone (4-FMC);

(30) 3,4-methylenedioxy-N-ethylcathinone (ethylone);

(31) alpha-pyrrolidinobutiophenone (α-PBP);

(32) 5-(2-Aminopropyl)-2,3-dihydrobenzofuran (5-APDB);

(33) 1-phenyl-2-(1-pyrrolidinyl)-1-heptanone (PV8);

(34) 6-(2-Aminopropyl)-2,3-dihydrobenzofuran (6-APDB);

(35) 4-methyl-alpha-ethylaminopentiophenone (4-MEAPP);

(36) 4'-chloro-alpha-pyrrolidinopropiophenone (4'-chloro-PPP);

(37) 1-(1,3-Benzodioxol-5-yl)-2-(dimethylamino)butan-1-one (dibutylone, bk-DMBDB);

(38) 1-(3-chlorophenyl) piperazine (meta-chlorophenylpiperazine or mCPP);

(39) 1-(1,3-benzodioxol-5-yl)-2-(ethylamino)-pentan-1-one (N-ethylpentylone, ephylone); and

(40) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:

(i) by substitution in the ring system to any extent with alkyl, alkylenedioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

(h) ~~Marijuana,~~ Synthetic tetrahydrocannabinols~~,~~ and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any ~~natural or~~ synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

~~(1) marijuana;~~

~~(2)~~ (1) synthetic tetrahydrocannabinols ~~naturally contained in a plant of the genus Cannabis,~~ that are the synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant, or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol; and

~~(3)~~ (2) synthetic cannabinoids, including the following substances:

(i) Naphthoylindoles, which are any compounds containing a 3-(1-napthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);

(B) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);

(C) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);

(D) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);

(E) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);

(F) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);

(G) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);

(H) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);

(I) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);

(J) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

(ii) Napthylmethylindoles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindoles include, but are not limited to:

(A) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);

(B) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methane (JWH-184).

(iii) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

(iv) Naphthylmethylindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthylemethylindenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

(v) Phenylacetylindoles, which are any compounds containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetylindoles include, but are not limited to:

(A) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

(B) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

(C) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

(D) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

(vi) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

(A) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

(B) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

(C) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl] -phenol (CP 55,940).

(vii) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

(B) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

(C) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

(viii) Others specifically named:

(A) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) -6a,7,10,10a tetrahydrobenzo[c]chromen-1-ol (HU-210);

(B) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

(C) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de] -1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);

(D) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

(E) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);

(F) 1-pentyl-N-tricyclo[3.3.1.13,7]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));

(G) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);

(H) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);

(I) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22);

(J) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-pentyl-1H-indazole- 3-carboxamide (AB-PINACA);

(K) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-[(4-fluorophenyl)methyl]- 1H-indazole-3-carboxamide (AB-FUBINACA);

(L) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-(cyclohexylmethyl)-1H- indazole-3-carboxamide(AB-CHMINACA);

(M) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3- methylbutanoate (5-fluoro-AMB);

(N) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl) methanone (THJ-2201);

(O) (1-(5-fluoropentyl)-1H-benzo[d]imidazol-2-yl)(naphthalen-1-yl)methanone) (FUBIMINA);

(P) (7-methoxy-1-(2-morpholinoethyl)-N-((1S,2S,4R)-1,3,3-trimethylbicyclo [2.2.1]heptan-2-yl)-1H-indole-3-carboxamide (MN-25 or UR-12);

(Q) (S)-N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl) -1H-indole-3-carboxamide (5-fluoro-ABICA);

(R) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl) -1H-indole-3-carboxamide;

(S) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl) -1H-indazole-3-carboxamide;

(T) methyl 2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido) -3,3-dimethylbutanoate;

(U) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1(cyclohexylmethyl)-1 H-indazole-3-carboxamide (MAB-CHMINACA);

(V) N-(1-Amino-3,3-dimethyl-1-oxo-2-butanyl)-1-pentyl-1H-indazole-3-carboxamide (ADB-PINACA);

(W) methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate (FUB-AMB);

(X) N-[(1S)-2-amino-2-oxo-1-(phenylmethyl)ethyl]-1-(cyclohexylmethyl)-1H-Indazole-3-carboxamide. (APP-CHMINACA);

(Y) quinolin-8-yl 1-(4-fluorobenzyl)-1H-indole-3-carboxylate (FUB-PB-22); and

(Z) methyl N-[1-(cyclohexylmethyl)-1H-indole-3-carbonyl]valinate (MMB-CHMICA).

(ix) Additional substances specifically named:

(A) 1-(5-fluoropentyl)-N-(2-phenylpropan-2-yl)-1 H-pyrrolo[2,3-B]pyridine-3-carboxamide (5F-CUMYL-P7AICA);

(B) 1-(4-cyanobutyl)-N-(2- phenylpropan-2-yl)-1 H-indazole-3-carboxamide (4-CN-Cumyl-Butinaca);

(C) naphthalen-1-yl-1-(5-fluoropentyl)-1-H-indole-3-carboxylate (NM2201; CBL2201);

(D) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1 H-indazole-3-carboxamide (5F-ABPINACA);

(E) methyl-2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate (MDMB CHMICA);

(F) methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3,3-dimethylbutanoate (5F-ADB; 5F-MDMB-PINACA); and

(G) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl) 1H-indazole-3-carboxamide (ADB-FUBINACA).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2020, section 152.02, subdivision 3, is amended to read:

Subd. 3. **Schedule II.** (a) Schedule II consists of the substances listed in this subdivision.

(b) Unless specifically excepted or unless listed in another schedule, any of the following substances whether produced directly or indirectly by extraction from substances of vegetable origin or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(1) Opium and opiate, and any salt, compound, derivative, or preparation of opium or opiate.

(i) Excluding:

(A) apomorphine;

(B) thebaine-derived butorphanol;

(C) dextrophan;

(D) nalbuphine;

(E) nalmefene;

(F) naloxegol;

(G) naloxone;

(H) naltrexone; and

(I) their respective salts;

(ii) but including the following:

(A) opium, in all forms and extracts;

(B) codeine;

(C) dihydroetorphine;

(D) ethylmorphine;

(E) etorphine hydrochloride;

(F) hydrocodone;

(G) hydromorphone;

(H) metopon;

(I) morphine;

(J) oxycodone;

(K) oxymorphone;

(L) thebaine;

(M) oripavine;

(2) any salt, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of the substances referred to in clause (1), except that these substances shall not include the isoquinoline alkaloids of opium;

(3) opium poppy and poppy straw;

(4) coca leaves and any salt, cocaine compound, derivative, or preparation of coca leaves (including cocaine and ecgonine and their salts, isomers, derivatives, and salts of isomers and derivatives), and any salt, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, except that the substances shall not include decocainized coca leaves or extraction of coca leaves, which extractions do not contain cocaine or ecgonine;

(5) concentrate of poppy straw (the crude extract of poppy straw in either liquid, solid, or powder form which contains the phenanthrene alkaloids of the opium poppy).

(c) Any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters and ethers, unless specifically excepted, or unless listed in another schedule, whenever the existence of such isomers, esters, ethers and salts is possible within the specific chemical designation:

(1) alfentanil;

(2) alphaprodine;

(3) anileridine;

(4) bezitramide;

(5) bulk dextropropoxyphene (nondosage forms);

(6) carfentanil;

(7) dihydrocodeine;

(8) dihydromorphinone;

(9) diphenoxylate;

(10) fentanyl;

(11) isomethadone;

(12) levo-alpha-acetylmethadol (LAAM);

(13) levomethorphan;

(14) levorphanol;

(15) metazocine;

(16) methadone;

(17) methadone - intermediate, 4-cyano-2-dimethylamino-4, 4-diphenylbutane;

(18) moramide - intermediate, 2-methyl-3-morpholino-1, 1-diphenyl-propane-carboxylic acid;

(19) pethidine;

(20) pethidine - intermediate - a, 4-cyano-1-methyl-4-phenylpiperidine;

(21) pethidine - intermediate - b, ethyl-4-phenylpiperidine-4-carboxylate;

(22) pethidine - intermediate - c, 1-methyl-4-phenylpiperidine-4-carboxylic acid;

(23) phenazocine;

(24) piminodine;

(25) racemethorphan;

(26) racemorphan;

(27) remifentanil;

(28) sufentanil;

(29) tapentadol;

(30) 4-Anilino-N-phenethylpiperidine.

(d) Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

(1) amphetamine, its salts, optical isomers, and salts of its optical isomers;

(2) methamphetamine, its salts, isomers, and salts of its isomers;

(3) phenmetrazine and its salts;

(4) methylphenidate;

(5) lisdexamfetamine.

(e) Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) amobarbital;

(2) glutethimide;

(3) secobarbital;

(4) pentobarbital;

(5) phencyclidine;

(6) phencyclidine immediate precursors:

(i) 1-phenylcyclohexylamine;

(ii) 1-piperidinocyclohexanecarbonitrile;

(7) phenylacetone.

(f) Cannabis and cannabinoids:

(1) nabilone;

(2) unless specifically excepted or unless listed in another schedule, any natural material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(i) marijuana; and

(ii) tetrahydrocannabinols naturally contained in a plant of the genus cannabis or in the resinous extractives of the plant, except that a product containing tetrahydrocannabinols is not included if it meets the requirements of section 151.72; and

~~(2)~~ (3) dronabinol [(-)-delta-9-trans-tetrahydrocannabinol (delta-9-THC)] in an oral solution in a drug product approved for marketing by the United States Food and Drug Administration.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2020, section 152.11, is amended by adding a subdivision to read:

Subd. 5. **Exception.** References in this section to Schedule II controlled substances do not extend to marijuana or tetrahydrocannabinols.

Sec. 14. Minnesota Statutes 2020, section 152.12, is amended by adding a subdivision to read:

Subd. 6. **Exception.** References in this section to Schedule II controlled substances do not extend to marijuana or tetrahydrocannabinols.

Sec. 15. Minnesota Statutes 2020, section 152.125, subdivision 3, is amended to read:

Subd. 3. **Limits on applicability.** This section does not apply to:

(1) a physician's treatment of an individual for chemical dependency resulting from the use of controlled substances in Schedules II to V of section 152.02;

(2) the prescription or administration of controlled substances in Schedules II to V of section 152.02 to an individual whom the physician knows to be using the controlled substances for nontherapeutic purposes;

(3) the prescription or administration of controlled substances in Schedules II to V of section 152.02 for the purpose of terminating the life of an individual having intractable pain; ~~or~~

(4) the prescription or administration of a controlled substance in Schedules II to V of section 152.02 that is not a controlled substance approved by the United States Food and Drug Administration for pain relief; or

(5) the administration of medical cannabis under sections 152.22 to 152.37.

Sec. 16. Minnesota Statutes 2020, section 152.32, subdivision 1, is amended to read:

Subdivision 1. ~~**Presumption**~~ **Presumptions.** (a) There is a presumption that a patient enrolled in the registry program under sections 152.22 to 152.37 is engaged in the authorized use of medical cannabis.

(b) The presumption in paragraph (a) may be rebutted by evidence that conduct related to use of medical cannabis was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

(c) Sections 152.22 to 152.37 do not create any positive conflict with federal drug laws or regulations and are consistent with United States Code, title 21, section 903.

Sec. 17. Minnesota Statutes 2020, section 152.32, subdivision 2, is amended to read:

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program, or possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The commissioner, the commissioner's staff, the commissioner's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for the participation in the registry program under sections 152.22 to 152.37. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient under sections 152.22 to 152.37 may be admitted as evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court or professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37.

(j) Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program does not constitute probable cause or reasonable suspicion, nor shall it be used to support a search of the person or property of the person possessing or applying for the registry verification, or otherwise subject the person or property of the person to inspection by any governmental agency.

(k) Subject to section 152.23, the listing of tetrahydrocannabinols as a Schedule I controlled substance under this chapter does not apply to protected activities specified in this subdivision.

Sec. 18. Minnesota Statutes 2021 Supplement, section 363A.50, is amended to read:

363A.50 NONDISCRIMINATION IN ACCESS TO TRANSPLANTS.

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

(b) "Anatomical gift" has the meaning given in section 525A.02, subdivision 4.

(c) "Auxiliary aids and services" include, but are not limited to:

(1) qualified interpreters or other effective methods of making aurally delivered materials available to individuals with hearing impairments and to non-English-speaking individuals;

(2) qualified readers, taped texts, texts in accessible electronic format, or other effective methods of making visually delivered materials available to individuals with visual impairments;

(3) the provision of information in a format that is accessible for individuals with cognitive, neurological, developmental, intellectual, or physical disabilities;

(4) the provision of supported decision-making services; and

(5) the acquisition or modification of equipment or devices.

(d) "Covered entity" means:

(1) any licensed provider of health care services, including licensed health care practitioners, hospitals, nursing facilities, laboratories, intermediate care facilities, psychiatric residential treatment facilities, institutions for individuals with intellectual or developmental disabilities, and prison health centers; or

(2) any entity responsible for matching anatomical gift donors to potential recipients.

(e) "Disability" has the meaning given in section 363A.03, subdivision 12.

(f) "Organ transplant" means the transplantation or infusion of a part of a human body into the body of another for the purpose of treating or curing a medical condition.

(g) "Qualified individual" means an individual who, with or without available support networks, the provision of auxiliary aids and services, or reasonable modifications to policies or practices, meets the essential eligibility requirements for the receipt of an anatomical gift.

(h) "Reasonable modifications" include, but are not limited to:

(1) communication with individuals responsible for supporting an individual with postsurgical and post-transplantation care, including medication; and

(2) consideration of support networks available to the individual, including family, friends, and home and community-based services, including home and community-based services funded through Medicaid, Medicare, another health plan in which the individual is enrolled, or any program or source of funding available to the individual, in determining whether the individual is able to comply with post-transplant medical requirements.

(i) "Supported decision making" has the meaning given in section 524.5-102, subdivision 16a.

Subd. 2. **Prohibition of discrimination.** (a) A covered entity may not, on the basis of a qualified individual's race, ethnicity, mental disability, or physical disability:

(1) deem an individual ineligible to receive an anatomical gift or organ transplant;

(2) deny medical or related organ transplantation services, including evaluation, surgery, counseling, and postoperative treatment and care;

(3) refuse to refer the individual to a transplant center or other related specialist for the purpose of evaluation or receipt of an anatomical gift or organ transplant;

(4) refuse to place an individual on an organ transplant waiting list or place the individual at a lower-priority position on the list than the position at which the individual would have been placed if not for the individual's race, ethnicity, or disability; or

(5) decline insurance coverage for any procedure associated with the receipt of the anatomical gift or organ transplant, including post-transplantation and postinfusion care.

(b) Notwithstanding paragraph (a), a covered entity may take an individual's disability into account when making treatment or coverage recommendations or decisions, solely to the extent that the physical or mental disability has been found by a physician, following an individualized evaluation of the potential recipient to be medically significant to the provision of the anatomical gift or organ transplant. The provisions of this section may not be deemed to require referrals or recommendations for, or the performance of, organ transplants that are not medically appropriate given the individual's overall health condition.

(c) If an individual has the necessary support system to assist the individual in complying with post-transplant medical requirements, an individual's inability to independently comply with those requirements may not be deemed to be medically significant for the purposes of paragraph (b).

(d) A covered entity must make reasonable modifications to policies, practices, or procedures, when such modifications are necessary to make services such as transplantation-related counseling, information, coverage, or treatment available to qualified individuals with disabilities, unless the entity can demonstrate that making such modifications would fundamentally alter the nature of such services.

(e) A covered entity must take such steps as may be necessary to ensure that no qualified individual with a disability is denied services such as transplantation-related counseling, information, coverage, or treatment because of the absence of auxiliary aids and services, unless the entity can demonstrate that taking such steps would fundamentally alter the nature of the services being offered or result in an undue burden. A covered entity is not required to provide supported decision-making services.

(f) A covered entity must otherwise comply with the requirements of Titles II and III of the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments Act of 2008, and the Minnesota Human Rights Act.

(g) The provisions of this section apply to each part of the organ transplant process.

Subd. 3. **Remedies.** In addition to all other remedies available under this chapter, any individual who has been subjected to discrimination in violation of this section may initiate a civil action in a court of competent jurisdiction to enjoin violations of this section.

Sec. 19. Laws 2020, First Special Session chapter 7, section 1, subdivision 5, as amended by Laws 2021, First Special Session chapter 7, article 2, section 73, is amended to read:

Subd. 5. **Waivers and modifications; extension ~~for 365 days.~~** When the peacetime emergency declared by the governor in response to the COVID-19 outbreak expires, is terminated, or is rescinded by the proper authority, waiver CV23: modifying background study requirements, issued by the commissioner of human services pursuant to Executive Orders 20-11 and 20-12, including any amendments to the modification issued before the peacetime emergency expires, shall remain in effect ~~for 365 days after the peacetime emergency ends~~ until January 1, 2023.

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

Sec. 20. **FEDERAL SCHEDULE I EXEMPTION APPLICATION FOR MEDICAL USE OF CANNABIS.**

By September 1, 2022, the commissioner of health shall apply to the Drug Enforcement Administration's Office of Diversion Control for an exception under Code of Federal Regulations, title 21, section 1307.03, and request formal written acknowledgment that the listing of marijuana, marijuana extract, and tetrahydrocannabinols as controlled substances in federal Schedule I does not apply to the protected activities in Minnesota Statutes, section 152.32, subdivision 2, pursuant to the medical cannabis program established under Minnesota Statutes, sections 152.22 to 152.37. The application must include the list of presumptions in Minnesota Statutes, section 152.32, subdivision 1.

Sec. 21. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber as Minnesota Statutes, section 256.4835, the Minnesota Rare Disease Advisory Council that is currently coded as Minnesota Statutes, section 137.68. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

ARTICLE 9
FORECAST ADJUSTMENTS

Section 1. **HUMAN SERVICES APPROPRIATION.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2021, First Special Session chapter 7, article 16, from the general fund or any fund named to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**		
Subdivision 1. **Total Appropriation**	**$(585,901,000)**	**$182,791,000**
Appropriations by Fund		
General Fund	(406,629,000)	185,395,000
Health Care Access Fund	(86,146,000)	(11,799,000)
Federal TANF	(93,126,000)	9,195,000
Subd. 2. **Forecasted Programs**		
(a) **MFIP/DWP**		
Appropriations by Fund		
General Fund	72,106,000	(14,397,000)
Federal TANF	(93,126,000)	9,195,000
(b) **MFIP Child Care Assistance**	(103,347,000)	(73,738,000)
(c) **General Assistance**	(4,175,000)	(1,488,000)
(d) **Minnesota Supplemental Aid**	318,000	1,613,000
(e) **Housing Support**	(1,994,000)	9,257,000
(f) **Northstar Care for Children**	(9,613,000)	(4,865,000)
(g) **MinnesotaCare**	(86,146,000)	(11,799,000)

These appropriations are from the health care access fund.

(h) **Medical Assistance**

	Appropriations by Fund	
General Fund	(348,364,000)	292,880,000
Health Care Access Fund	-0-	-0-

(i) **Alternative Care Program** -0- -0-

(j) **Behavioral Health Fund** (11,560,000) (23,867,000)

Subd. 3. **Technical Activities** -0- -0-

These appropriations are from the federal TANF fund.

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

ARTICLE 10
APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 7, article 16, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2021, First Special Session chapter 7, article 16. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment unless a different effective date is explicit.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$32,461,000** **$308,754,000**

	Appropriations by Fund	
	2022	2023
General	34,397,000	402,226,000
Health Care Access	(1,936,000)	(88,042,000)
Federal TANF	-0-	7,000
Opiate Epidemic Response	-0-	760,000

Subd. 2. **Central Office; Operations**

	Appropriations by Fund	
General	397,000	96,487,000
Health Care Access	-0-	13,729,000

(a) **Background Studies.** (1) $1,779,000 in fiscal year 2023 is to provide a credit to providers who paid for emergency background studies in NETStudy 2.0. This is a onetime appropriation.

(2) $1,851,000 in fiscal year 2023 is to fund the costs of reprocessing emergency studies conducted under interagency agreements. This is a onetime appropriation.

(b) **Supporting Drug Pricing Litigation Costs.** $228,000 in fiscal year 2022 is for costs to comply with litigation requirements related to pharmaceutical drug price litigation. This is a onetime appropriation.

(c) **Base Level Adjustment.** The general fund base is increased $11,846,000 in fiscal year 2024 and $9,359,000 in fiscal year 2025. The health care access fund base is increased $1,551,000 in fiscal year 2024 and $1,455,000 in fiscal year 2025.

Subd. 3. **Central Office; Children and Families** -0- 21,992,000

(a) **Foster Care Federal Cash Assistance Benefits Plan.** $373,000 in fiscal year 2023 is for the commissioner to develop the foster care federal cash assistance benefits plan. The base for this appropriation is $342,000 in fiscal year 2024 and $127,000 in fiscal year 2025.

(b) **Base Level Adjustment.** The general fund base is increased $7,823,000 in fiscal year 2024 and $7,578,000 in fiscal year 2025.

Subd. 4. **Central Office; Health Care**

	Appropriations by Fund	
General	-0-	4,500,000
Health Care Access	-0-	2,475,000

(a) **Interactive Voice Response and Improving Access for Applications and Forms.** $1,350,000 in fiscal year 2023 is for the improvement of accessibility to Minnesota health care programs applications, forms, and other consumer support resources and services to enrollees with limited English proficiency. This is a onetime appropriation and is available until June 30, 2025.

(b) **Community-Driven Improvements.** $680,000 in fiscal year 2023 is for Minnesota health care program enrollee engagement activities.

(c) **Responding to COVID-19 in Minnesota Health Care Programs.** $1,000,000 in fiscal year 2023 is for contract assistance relating to the resumption of eligibility and redetermination processes in Minnesota health care programs after the expiration of the federal public health emergency. Contracts entered into under this section are for emergency acquisition and are not subject to solicitation requirements under Minnesota Statutes, section 16C.10, subdivision 2. This is a onetime appropriation and is available until June 30, 2025.

(d) **Initial PACE Implementation Funding.** $270,000 in fiscal year 2023 is from the general fund to complete the initial actuarial and administrative work necessary to recommend a financing mechanism for the operation of PACE under Minnesota Statutes, section 256B.69, subdivision 23, paragraph (e).

(e) **Base Level Adjustment.** The general fund base is increased $3,607,000 in fiscal year 2024 and $5,123,000 in fiscal year 2025. The health care access fund base is increased $4,357,000 in fiscal year 2024 and $7,550,000 in fiscal year 2025.

Subd. 5. **Central Office; Continuing Care** -0- 177,000

(a) **Lifesharing Services.** $57,000 in fiscal year 2023 is for engaging stakeholders and developing recommendations regarding establishing a lifesharing service under the state's medical assistance disability waivers and elderly waiver. The base for this appropriation is $43,000 in fiscal year 2024.

(b) **Initial PACE Implementation Funding.** $120,000 in fiscal year 2023 is to complete the initial actuarial and administrative work necessary to recommend a financing mechanism for the operation of PACE under Minnesota Statutes, section 256B.69, subdivision 23, paragraph (e).

(c) **Base Level Adjustment.** The general fund base is increased $43,000 in fiscal year 2024.

Subd. 6. **Central Office; Community Supports**

Appropriations by Fund		
General	-0-	8,531,000
Opioid Epidemic Response	-0-	760,000

(a) **SEIU Health Care Arbitration Award.** $5,444 in fiscal year 2023 is for arbitration awards resulting from a SEIU grievance. This is a onetime appropriation.

(b) **Lifesharing Services.** $57,000 in fiscal year 2023 is from the general fund for engaging stakeholders and developing recommendations regarding establishing a lifesharing service under the state's medical assistance disability waivers and elderly waiver. The general fund base for this appropriation is $43,000 in fiscal year 2024.

(c) **Intermediate Care Facilities for Persons with Developmental Disabilities; Rate Study.** $250,000 in fiscal year 2023 is from the general fund for a study of medical assistance rates for intermediate care facilities for persons with developmental disabilities under Minnesota Statutes, sections 256B.5011 to 256B.5015. This is a onetime appropriation.

(d) **Online tool accessibility and capacity expansion.** $395,000 in fiscal year 2023 is to expand the accessibility and capacity of online tools for people receiving services and direct support workers. The base for this appropriation is $664,000 in fiscal year 2024 and $681,000 in fiscal year 2025.

(e) **Systemic critical incident review team.** $459,000 in fiscal year 2023 is to implement the systemic critical incident review process in Minnesota Statutes, section 256.01, subdivision 12b. The base for this appropriation is $498,000 in fiscal year 2024 and $498,000 in fiscal year 2025.

(f) **Base Level Adjustment.** The general fund base is increased $9,908,000 in fiscal year 2024 and $8,210,000 in fiscal year 2025. The opiate epidemic response base is increased $790,000 in fiscal year 2024 and $790,000 in fiscal year 2025.

Subd. 7. **Forecasted Programs; MFIP/DWP**

Appropriations by Fund

General	-0-	4,000
Federal TANF	-0-	7,000

Subd. 8. **Forecasted Programs; MFIP Child Care Assistance** -0- 1,000

Subd. 9. **Forecasted Programs; Minnesota Supplemental Aid** -0- 1,000

Subd. 10. **Forecasted Programs; Housing Supports** -0- 4,304,000

Subd. 11. **Forecasted Programs; MinnesotaCare**

Appropriations by Fund		
General	-0-	(17,943,000)
Health Care Access	-0-	28,724,000

This appropriation is from the health care access fund.

Subd. 12. **Forecasted Programs; Medical Assistance**

Appropriations by Fund		
General	-0-	(56,518,000)
Health Care Access	-0-	(136,906,000)

Subd. 13. **Forecasted Programs; Alternative Care** -0- 530,000

Subd. 14. **Grant Programs; BSF Child Care Grants** -0- 6,000

Base Level Adjustment. The general fund base is increased $29,000 in fiscal year 2024 and $248,000 in fiscal year 2025.

Subd. 15. **Grant Programs; Child Care Development Grants** -0- -0-

Subd. 16. **Grant Programs; Children's Services Grants** -0- 8,984,000

(a) **American Indian Child Welfare Initiative; Mille Lacs Band of Ojibwe Planning.** $1,263,000 in fiscal year 2023 is to support activities necessary for the Mille Lacs Band of Ojibwe to join the American Indian child welfare initiative.

(b) **Expand Parent Support Outreach Program.** The base shall include $7,000,000 in fiscal year 2024 and $7,000,000 in fiscal year 2025 to expand the parent support outreach program to community-based agencies, public health agencies, and schools to prevent reporting of and entry into the child welfare system.

(c) **Thriving Families Safer Children.** The base shall include $30,000 in fiscal year 2024 to plan for an education attendance support diversionary program to prevent entry into the child welfare system. The commissioner shall report back to the chairs and ranking minority members of the legislative committees that oversee child welfare by January 1, 2025, on the plan for this program. This is a onetime appropriation.

(d) **Family Group Decision Making.** The base shall include $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025 to expand the use of family group decision making to provide opportunity for family voices concerning critical decisions in child safety and prevent entry into the child welfare system.

(e) **Child Welfare Promising Practices.** The base shall include $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025 to develop promising practices for prevention of out-of-home placement of children and youth.

(f) **Family Assessment Response.** The base shall include $23,550,000 in fiscal year 2024 and $23,550,000 in fiscal year 2025 to support counties and Tribes that are members of the American Indian child welfare initiative in providing case management services and support for families being served under family assessment response and to prevent entry into the child welfare system.

(g) **Extend Support for Youth Leaving Foster Care.** $600,000 in fiscal year 2023 is to extend financial supports for young adults aging out of foster care to age 22.

(h) **Grants to Counties for Child Protection Staff.** $1,000,000 in fiscal year 2023 is to provide grants to counties and American Indian child welfare initiative Tribes to be used to reduce extended foster care caseload sizes to ten cases per worker.

(i) **Statewide Pool of Qualified Individuals.** $1,177,400 in fiscal year 2023 is for grants to one or more grantees to establish and manage a pool of state-funded qualified individuals to assess potential out-of-home placement of a child in a qualified residential treatment program. Up to $200,000 of the grants each fiscal year is available for grantee contracts to manage the state-funded pool of qualified individuals. This amount shall also pay for qualified individual training, certification, and background studies. Remaining grant money shall be available until expended to provide qualified individual services to counties and Tribes that have joined the American Indian child welfare initiative pursuant to Minnesota Statutes, section 256.01, subdivision 14b, to provide qualified residential treatment program assessments at no cost to the county or Tribal agency.

(j) **Quality Parenting Initiative Grant.** $100,000 in fiscal year 2023 is for a grant to the Quality Parenting Initiative Minnesota, to implement Quality Parenting Initiative principles and practices and support children and families experiencing foster care placements. The grantee shall use grant funds to provide training and technical assistance to county and Tribal agencies, community-based agencies, and other stakeholders on conducting initial foster care phone calls under Minnesota Statutes, section 260C.219, subdivision 6; supporting practices that create partnerships between birth and foster families; and informing child welfare practices by supporting youth leadership and the participation of individuals with experience in the foster care system. Upon request, the commissioner shall make information regarding the use of this grant funding available to the chairs and ranking minority members of the legislative committees with jurisdiction over human services. This is a onetime appropriation.

(k) **Costs of Foster Care or Care, Examination, or Treatment.** $5,000,000 in fiscal year 2023 is for grants to counties and Tribes, to reimburse counties and Tribes for the costs of foster care or care, examination, or treatment that would previously have been paid by the parents or custodians of a child in foster care using parental income and resources, child support payments, or income and resources attributable to a child under Minnesota Statutes, sections 242.19, 256N.26, 260B.331, and 260C.331. Counties and Tribes must apply for grant funds in a form prescribed by the commissioner, and must provide the information and data necessary to calculate grant fund allocations accurately and equitably, as determined by the commissioner.

(l) **Grants to Counties; Foster Care Federal Cash Assistance Benefits Plan.** $50,000 in fiscal year 2023 is for the commissioner to provide grants to counties to assist counties with gathering and reporting the county data required for the commissioner to develop the foster care federal cash assistance benefits plan.

(m) **Base Level Adjustment.** The general fund base is increased $52,386,000 in fiscal year 2024 and $49,715,000 in fiscal year 2025.

Subd. 17. **Grant Programs; Children and Community Service Grants**	-0-	-0-

Base Level Adjustment. The opiate epidemic response base is increased $100,000 in fiscal year 2025.

Subd. 18. **Grant Programs; Children and Economic Support Grants**	14,000,000	145,931,000

(a) **Family and Community Resource Hubs.** $2,550,000 in fiscal year 2023 is to implement a sustainable family and community resource hub model through the community action agencies under Minnesota Statutes, section 256E.31, and federally recognized Tribes. The community resource hubs must offer navigation to several supports and services, including but not limited to basic needs and economic assistance, disability services, healthy development and screening, developmental and behavioral concerns, family well-being and mental health, early learning and child care, dental care, legal services, and culturally specific services for American Indian families.

(b) **Tribal Food Sovereignty Infrastructure Grants.** $4,000,000 in fiscal year 2023 is for capital and infrastructure development to support food system changes and provide equitable access to existing and new methods of food support for American Indian communities, including federally recognized Tribes and American Indian nonprofit organizations. This is a onetime appropriation and is available until June 30, 2025.

(c) **Tribal Food Security.** $2,836,000 in fiscal year 2023 is to promote food security for American Indian communities, including federally recognized Tribes and American Indian nonprofit organizations. This includes hiring staff, providing culturally relevant training for building food access, purchasing technical assistance materials and supplies, and planning for sustainable food systems.

(d) **Capital for Emergency Food Distribution Facilities.** $14,931,000 in fiscal year 2023 is for improving and expanding the infrastructure of food shelf facilities across the state, including adding freezer or cooler space and dry storage space, improving the safety and sanitation of existing food shelves, and addressing deferred maintenance or other facility needs of existing food shelves. Grant money shall be made available to nonprofit organizations, federally recognized Tribes, and local units of government. This is a onetime appropriation and is available until June 30, 2025.

(e) **Food Support Grants.** $5,000,000 in fiscal year 2023 is to provide additional resources to a diverse food support network that includes food shelves, food banks, and meal and food outreach programs. Grant money shall be made available to nonprofit organizations, federally recognized Tribes, and local units of government.

(f) **Transitional Housing.** $2,500,000 in fiscal year 2023 is for transitional housing programs under Minnesota Statutes, section 256E.33.

(g) **Shelter-Linked Youth Mental Health Grants.** $1,650,000 in fiscal year 2023 is for shelter-linked youth mental health grants under Minnesota Statutes, section 256K.46.

(h) **Emergency Services Grants.** $35,000,000 in fiscal year 2023 is for emergency services under Minnesota Statutes, section 256E.36. The base for this appropriation is $25,000,000 in fiscal year 2024 and $25,000,000 in fiscal year 2025. Grant allocation balances in the first year do not cancel but are available in the second year.

(i) **Homeless Youth Act.** $10,000,000 in fiscal year 2023 is for homeless youth act grants under Minnesota Statutes, section 256K.45, subdivision 1. Grant allocation balances in the first year do not cancel but are available in the second year.

(j) **Pregnant and Parenting Homeless Youth Study.** $300,000 in fiscal year 2023 is to fund a study of the prevalence of pregnancy and parenting among homeless youths and youths who are at risk of homelessness. This is a onetime appropriation and is available until June 30, 2024.

(k) **Safe Harbor Grants.** $5,500,000 in fiscal year 2023 is for safe harbor grants to fund street outreach, emergency shelter, and transitional and long-term housing beds for sexually exploited youth and youth at risk of exploitation.

(l) **Emergency Shelter Facilities.** $75,000,000 in fiscal year 2023 is for grants to eligible applicants for the acquisition of property; site preparation, including demolition; predesign; design; construction; renovation; furnishing; and equipping of emergency shelter facilities in accordance with emergency shelter facilities project criteria in this act. This is a onetime appropriation and is available until June 30, 2025.

(m) **Heading Home Ramsey Continuum of Care.** (1) $8,000,000 in fiscal year 2022 is for a grant to fund and support Heading Home Ramsey Continuum of Care. This is a onetime appropriation. The grant shall be used for:

(i) maintaining funding for a 100-bed family shelter that had been funded by CARES Act money;

(ii) maintaining funding for an existing 100-bed single room occupancy shelter and developing a replacement single-room occupancy shelter for housing up to 100 single adults; and

(iii) maintaining current day shelter programming that had been funded with CARES Act money and developing a replacement for current day shelter facilities.

(2) Ramsey County may use up to ten percent of this appropriation for administrative expenses. This appropriation is available until June 30, 2025.

(n) **Hennepin County Funding for Serving Homeless Persons.** (1) $6,000,000 in fiscal year 2022 is for a grant to fund and support Hennepin County shelters and services for persons experiencing homelessness. This is a onetime appropriation. Of this appropriation:

(i) up to $4,000,000 in matching grant funding is to design, construct, equip, and furnish the Simpson Housing Services shelter facility in the city of Minneapolis; and

(ii) up to $2,000,000 is to maintain current shelter and homeless response programming that had been funded with federal funding from the CARES Act of the American Rescue Plan Act, including:

(A) shelter operations and services to maintain services at Avivo Village, including a shelter comprised of 100 private dwellings and the American Indian Community Development Corporation Homeward Bound 50-bed shelter;

(B) shelter operations and services to maintain shelter services 24 hours per day, seven days per week;

(C) housing-focused case management; and

(D) shelter diversion services.

(2) Hennepin County may contract with eligible nonprofit organizations and local and Tribal governmental units to provide services under the grant program. This appropriation is available until June 30, 2025.

(o) **Chosen Family Hosting to Prevent Youth Homelessness Pilot Program.** $1,000,000 in fiscal year 2023 is for the chosen family hosting to prevent youth homelessness pilot program to provide funds to providers serving homeless youth. Of this amount, $218,000 is for a contract with a technical assistance provider to: (1) provide technical assistance to funding recipients; (2) facilitate a monthly learning cohort for funding recipients; (3) evaluate the efficacy and cost-effectiveness of the pilot program; and (4) submit annual updates and a final report to the commissioner. This is a onetime appropriation and is available until June 30, 2027.

(p) **Minnesota Association for Volunteer Administration.** $1,000,000 in fiscal year 2023 is for a grant to the Minnesota Association for Volunteer Administration to administer needs-based volunteerism subgrants targeting underresourced nonprofit organizations in greater Minnesota to support selected organizations' ongoing efforts to address and minimize disparities in access to human services through increased volunteerism. Successful subgrant applicants must demonstrate that the populations to be served by the subgrantee are considered underserved or suffer from or are at risk of homelessness, hunger, poverty, lack of access to health care, or deficits in education. The Minnesota Association for Volunteer Administration must give priority to organizations that are serving the needs of vulnerable populations. By December 15, 2023, the Minnesota Association for Volunteer Administration must report data on outcomes from the subgrants and recommendations for improving and sustaining volunteer efforts statewide to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services. This is a onetime appropriation and is available until June 30, 2024.

(q) **Base Level Adjustment.** The general fund base is increased $63,104,000 in fiscal year 2024 and $66,754,000 in fiscal year 2025.

Subd. 19. **Grant Programs; Health Care Grants**

Appropriations by Fund	2022	2023
General Fund	-0-	2,500,000
Health Care Access	(1,936,000)	3,936,000

(a) **Grant Funding to Support Urban American Indians in Minnesota Health Care Programs.** $2,500,000 in fiscal year 2023 is from the general fund for funding to the Indian Health Board of Minneapolis to support continued access to health care coverage through Minnesota health care programs, improve access to quality care, and increase vaccination rates among urban American Indians.

(b) **Grants for Navigator Organizations.**

(1) $1,936,000 in fiscal year 2023 is from the health care access fund for grants to organizations with a MNsure grant services navigator assister contract in good standing as of July 1, 2022. The grants to each organization must be in proportion to the number of medical assistance and MinnesotaCare enrollees each organization assisted that resulted in a successful enrollment in the second quarter of fiscal year 2022, as determined by MNsure's navigator payment process. This is a onetime appropriation and is available until June 30, 2025.

(2) $2,000,000 in fiscal year 2023 is from the health care access fund for incentive payments as defined in Minnesota Statutes, section 256.962, subdivision 5. This appropriation is available until June 30, 2025. The health care access fund base for this appropriation is $1,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(c) **Base Level Adjustment.** The general fund base is increased $3,750,000 in fiscal year 2024 and $1,250,000 in fiscal year 2025. The health care access fund base is increased $1,000,000 in fiscal year 2024, and $0 in fiscal year 2025.

Subd. 20. **Grant Programs; Other Long-Term Care Grants** -0- 119,336,000

(a) **Workforce Incentive Fund Grant Program.** $118,000,000 in fiscal year 2023 is to assist disability, housing, substance use, and older adult service providers of public programs to pay for incentive benefits to current and new workers. This is a onetime appropriation and is available until June 30, 2025. Three percent of the total amount of the appropriation may be used to administer the program, which may include contracting with a third-party administrator.

(b) **Supported Decision Making.** $600,000 in fiscal year 2023 is for a grant to Volunteers for America for the Centers for Excellence in Supported Decision Making to assist older adults and people with disabilities in avoiding unnecessary guardianships through using less restrictive alternatives, such as supported decision making. The base for this appropriation is $600,000 in fiscal year 2024, $600,000 in fiscal year 2025, and $0 in fiscal year 2026.

(c) **Support Coordination Training.** $736,000 in fiscal year 2023 is to develop and implement a curriculum and training plan for case managers to ensure all case managers have the knowledge and skills necessary to fulfill support planning and coordination responsibilities for people who use home and community-based disability services waivers authorized under Minnesota Statutes, sections 256B.0913, 256B.092, and 256B.49, and chapter 256S, and live in own-home settings. Case manager support planning and coordination responsibilities to be addressed in the training include developing a plan with the participant and their family to address urgent staffing changes or unavailability and other support coordination issues that may arise for a participant. The commissioner shall work with lead agencies, advocacy organizations, and other stakeholders to develop the training. An initial support coordination training and competency evaluation must be completed by all staff responsible for case management, and the support coordination training and competency evaluation must be available to all staff responsible for case management following the initial training. The base for this appropriation is $377,000 in fiscal year 2024, $377,000 in fiscal year 2025, and $0 in fiscal year 2026.

(d) **Base Level Adjustment.** The general fund base is increased $977,000 in fiscal year 2024 and $977,000 in fiscal year 2025.

Subd. 21. **Grant Programs; Disabilities Grants** -0- 8,950,000

(a) **Electronic Visit Verification (EVV) Stipends.** $6,440,000 in fiscal year 2023 is for onetime stipends of $200 to bargaining members to offset the potential costs related to people using individual devices to access EVV. $5,600,000 of the appropriation is for stipends and the remaining 15 percent is for administration of these stipends. This is a onetime appropriation.

(b) **Self-Directed Collective Bargaining Agreement; Temporary Rate Increase Memorandum of Understanding.** $1,610,000 in fiscal year 2023 is for onetime stipends for individual providers covered by the SEIU collective bargaining agreement based on the memorandum of understanding related to the temporary rate increase in effect between December 1, 2020, and February 7, 2021. $1,400,000 of the appropriation is for stipends and the remaining 15 percent is for administration of the stipends. This is a onetime appropriation.

(c) **Service Employees International Union Memorandums.** The memorandums of understanding submitted by the commissioner of management and budget to the Legislative Coordinating Commission Subcommittee on Employee Relations on March 17, 2022, are ratified.

(d) **Direct Care Service Corps Pilot Project.** $500,000 in fiscal year 2023 is for a grant to HealthForce Minnesota at Winona State University for purposes of the direct care service corps pilot project in this act. Up to $25,000 may be used by HealthForce Minnesota for administrative costs. This is a onetime appropriation.

(e) **Task Force on Disability Services Accessibility.** $250,000 in fiscal year 2023 is for the Task Force on Disability Services Accessibility. Of this amount, $..... must be used to provide pilot project grants. This is a onetime appropriation and is available until March 31, 2026.

(f) **Base Level Adjustment.** The general fund base is increased $805,000 in fiscal year 2024 and $2,420,000 in fiscal year 2025.

Subd. 22. **Grant Programs; Adult Mental Health Grants**	20,000,000	31,076,000

(a) **Inpatient Psychiatric and Psychiatric Residential Treatment Facilities.** $10,000,000 in fiscal year 2023 is for competitive grants to hospitals or mental health providers to retain, build, or expand children's inpatient psychiatric beds for children in need of acute high-level psychiatric care or psychiatric residential treatment facility beds as described in Minnesota Statutes, section 256B.0941. In order to be eligible for a grant, a hospital or mental health provider must serve individuals covered by medical assistance under Minnesota Statutes, section 256B.0625.

(b) **Expanding Support for Psychiatric Residential Treatment Facilities.** $800,000 in fiscal year 2023 is for start-up grants to psychiatric residential treatment facilities as described in Minnesota Statutes, section 256B.0941. Grantees may use grant money for emergency workforce shortage uses. Allowable grant uses related to emergency workforce shortages may include but are not limited to hiring and retention bonuses, recruitment of a culturally responsive workforce, and allowing providers to increase the hourly rate in order to be competitive in the market.

(c) **Workforce Incentive Fund Grant Program.** $20,000,000 in fiscal year 2022 is to provide mental health public program providers the ability to pay for incentive benefits to current and new workers. This is a onetime appropriation and is available until June 30, 2025. Three percent of the total amount of the appropriation may be used to administer the program, which may include contracting with a third-party administrator.

(d) **Cultural and Ethnic Infrastructure Grant Funding.** $10,000,000 in fiscal year 2023 is for increasing cultural and ethnic infrastructure grant funding under Minnesota Statutes, section 245.4903. The base for this appropriation is $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025.

(e) **Culturally Specific Grants.** $2,000,000 in fiscal year 2023 is for grants for small to midsize nonprofit organizations who represent and support American Indian, Indigenous, and other communities disproportionately affected by the opiate crisis. These grants utilize traditional healing practices and other culturally congruent and relevant supports to prevent and curb opiate use disorders through housing, treatment, education, aftercare, and other activities as determined by the commissioner. The base for this appropriation is $2,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(f) **African American Community Mental Health Center Grant.** $1,000,000 in fiscal year 2023 is for a grant to an African American mental health service provider that is a licensed community mental health center specializing in services for African American children and families. The center must offer culturally specific, comprehensive, trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder services; supervision and training; and care coordination to all ages, regardless of ability to pay or place of residence. Upon request, the commissioner shall make information regarding the use of this grant funding available to the chairs and ranking minority members of the legislative committees with jurisdiction over human services. This is a onetime appropriation.

(g) **Behavioral Health Peer Training.** $1,000,000 in fiscal year 2023 is for training and development for mental health certified peer specialists, mental health certified family peer specialists, and recovery peer specialists. Training and development may include but is not limited to initial training and certification.

(h) **Intensive Residential Treatment Services Locked Facilities.** $2,796,000 in fiscal year 2023 is for start-up funds to intensive residential treatment service providers to provide treatment in locked facilities for patients who have been transferred from a jail or who have been deemed incompetent to stand trial and a judge has determined that the patient needs to be in a secure facility. This is a onetime appropriation.

(i) **Base Level Adjustment.** The general fund base is increased $27,092,000 in fiscal year 2024 and $34,216,000 in fiscal year 2025. The opiate epidemic response base is increased $2,000,000 in fiscal year 2025.

Subd. 23. **Grant Programs; Child Mental Health Grants** -0- 13,660,000

(a) **First Episode of Psychosis Grants.** $300,000 in fiscal year 2023 is for first episode of psychosis grants under Minnesota Statutes, section 245.4905.

(b) **Children's Residential Treatment Services Emergency Funding.** $2,500,000 in fiscal year 2023 is from the general fund to provide licensed children's residential treatment facilities with emergency funding for staff overtime, one-to-one staffing as needed, staff recruitment and retention, and training and related costs to maintain quality staff. Up to $500,000 of this appropriation may be allocated to support group home organizations supporting children transitioning to lower levels of care. This is a onetime appropriation.

(c) **Children's Residential Facility Crisis Stabilization.** $3,000,000 in fiscal year 2023 is for implementing children's residential facility crisis stabilization services licensing requirements and reimbursing county costs for children's residential crisis stabilization services as required under Minnesota Statutes, section 245.4882, subdivision 6.

(d) **Base Level Adjustment.** The general fund base is increased $16,100,000 in fiscal year 2024 and $1,100,000 in fiscal year 2025.

Subd. 24. **Grant Programs; Chemical Dependency Treatment Support Grants** -0- 2,000,000

(a) **Emerging Mood Disorder Grant Program.** $1,000,000 in fiscal year 2023 is for emerging mood disorder grants under Minnesota Statutes, section 245.4904. Grantees must use grant money as required in Minnesota Statutes, section 245.4904, subdivision 2.

(b) **Substance Use Disorder Treatment and Prevention Grants.** The base shall include $4,000,000 in fiscal year 2024 and $4,000,000 in fiscal year 2025 for substance use disorder treatment and prevention grants recommended by the substance use disorder advisory council.

(c) **Traditional Healing Grants.** The base shall include $2,000,000 in fiscal year 2025 to extend the traditional healing grant funding appropriated in Laws 2019, chapter 63, article 3, section 1, paragraph (h), from the opiate epidemic response account to the commissioner of human services. This funding is awarded to all Tribal nations and to five urban Indian communities for traditional healing practices to American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.

(d) **Base Level Adjustment.** The general fund base is increased $2,000,000 in fiscal year 2024 and $2,000,000 in fiscal year 2025.

Subd. 25. **Direct Care and Treatment - Operations** -0- 6,501,000

Base Level Adjustment. The general fund base is increased $5,267,000 in fiscal year 2024 and $0 in fiscal year 2025.

Subd. 26. **Technical Activities** -0- -0-

(a) **Transfers; Child Care and Development Fund.** For fiscal years 2024 and 2025, the base shall include a transfer of $23,500,000 in fiscal year 2024 and $23,500,000 in fiscal year 2025 from the TANF fund to the child care and development fund. These are onetime transfers.

(b) **Base Level Adjustment.** The TANF base is increased $23,500,000 in fiscal year 2024, $23,500,000 in fiscal year 2025, and $0 in fiscal year 2026.

Sec. 3. **COMMISSIONER OF HEALTH**

Subdivision 1. **Total Appropriation** **$-0-** **$266,507,000**

Appropriations by Fund

	2022	2023
General	-0-	258,888,000
State Government Special Revenue	-0-	6,044,000
Health Care Access	-0-	21,575,000

Subd. 2. **Health Improvement**

Appropriations by Fund

General	-0-	222,757,000
State Government Special Revenue	-0-	509,000
Health Care Access	-0-	21,575,000

(a) **988 National Suicide Prevention Lifeline.** $8,671,000 in fiscal year 2023 is from the general fund for the 988 suicide prevention lifeline in Minnesota Statutes, section 145.56. Of this appropriation, $455,000 is for administration and $7,890,000 is for grants. The general fund base for this appropriation is $8,671,000 in fiscal year 2024, of which $455,000 is for administration and $7,890,000 is for grants, and $8,671,000 in fiscal year 2025, of which $455,000 is for administration and $7,890,000 is for grants.

(b) **Address Growing Health Care Costs.** $2,476,000 in fiscal year 2023 is from the general fund for initiatives aimed at addressing growth in health care spending while ensuring stability in rural health care programs. The general fund base for this appropriation is $3,057,000 in fiscal year 2024 and $3,057,000 in fiscal year 2025.

(c) **Community Health Workers.** $1,462,000 in fiscal year 2023 is from the general fund for a public health approach to developing community health workers across Minnesota under Minnesota Statutes, section 145.9282. Of this appropriation, $462,000 is for administration and $1,000,000 is for grants. The general fund base for this appropriation is $1,097,000 in fiscal year 2024, of which $337,000 is for administration and $760,000 is for grants, and $1,098,000 in fiscal year 2025, of which $338,000 is for administration and $760,000 is for grants.

(d) **Community Solutions for Healthy Child Development.** $10,000,000 in fiscal year 2023 is from the general fund for the community solutions for the healthy child development grant program under Minnesota Statutes, section 145.9271. Of this appropriation, $1,250,000 is for administration and $8,750,000 is for grants. The general fund base appropriation is $10,000,000 in fiscal year 2024 and $10,000,000 in fiscal year 2025, of which $1,250,000 is for administration and $8,750,000 is for grants in each fiscal year.

(e) **Disability as a Health Equity Issue.** $1,575,000 in fiscal year 2023 is from the general fund to reduce disability-related health disparities through collaboration and coordination between state and community partners under Minnesota Statutes, section 145.9283. Of this appropriation, $1,130,000 is for administration and $445,000 is for grants. The general fund base for this appropriation is $1,585,000 in fiscal year 2024 and $1,585,000 in fiscal year 2025, of which $1,140,000 is for administration and $445,000 is for grants.

(f) **Drug Overdose and Substance Abuse Prevention.** $5,042,000 in fiscal year 2023 is from the general fund for a public health prevention approach to drug overdose and substance use disorder in Minnesota Statutes, section 144.8611. Of this appropriation, $921,000 is for administration and $4,121,000 is for grants.

(g) **Healthy Beginnings, Healthy Families.** $11,700,000 in fiscal year 2023 is from the general fund for Healthy Beginnings, Healthy Families services under Minnesota Statutes, section 145.987. The general fund base for this appropriation is $11,818,000 in fiscal year 2024 and $11,763,000 in fiscal year 2025. Of this appropriation:

(1) $7,510,000 in fiscal year 2023 is for the Minnesota Collaborative to Prevent Infant Mortality under Minnesota Statutes, section 145.987, subdivisions 2, 3, and 4, of which $1,535,000 is for administration and $5,975,000 is for grants. The general fund base for this appropriation is $7,501,000 in fiscal year 2024, of which $1,526,000 is for administration and $5,975,000 is for grants, and $7,501,000 in fiscal year 2025, of which $1,526,000 is for administration and $5,975,000 is for grants.

(2) $340,000 in fiscal year 2023 is for Help Me Connect under Minnesota Statutes, section 145.987, subdivisions 5 and 6. The general fund base for this appropriation is $663,000 in fiscal year 2024 and $663,000 in fiscal year 2025.

(3) $1,940,000 in fiscal year 2023 is for voluntary developmental and social-emotional screening and follow-up under Minnesota Statutes, section 145.987, subdivisions 7 and 8, of which $1,190,000 is for administration and $750,000 is for grants. The general fund base for this appropriation is $1,764,000 in fiscal year 2024, of which $1,014,000 is for administration and $750,000 is for grants, and $1,764,000 in fiscal year 2025, of which $1,014,000 is for administration and $750,000 is for grants.

(4) $1,910,000 in fiscal year 2023 is for model jail practices for incarcerated parents under Minnesota Statutes, section 145.987, subdivisions 9, 10, and 11, of which $485,000 is for administration and $1,425,000 is for grants. The general fund base for this appropriation is $1,890,000 in fiscal year 2024, of which $465,000 is for administration and $1,425,000 is for grants, and $1,835,000 in fiscal year 2025, of which $410,000 is for administration and $1,425,000 is for grants.

(h) **Home Visiting.** $62,386,000 in fiscal year 2023 is from the general fund for universal, voluntary home visiting services under Minnesota Statutes, section 145.871. Of this appropriation, ten percent is for administration and 90 percent is for implementation grants of home visiting services to families. The general fund base for this appropriation is $63,386,000 in fiscal year 2024 and $63,386,000 in fiscal year 2025.

(i) **Long COVID.** $2,669,000 in fiscal year 2023 is from the general fund for a public health approach to supporting long COVID survivors under Minnesota Statutes, section 145.361. Of this appropriation, $2,119,000 is for administration and $550,000 is for grants. The base for this appropriation is $3,706,000 in fiscal year 2024 and $3,706,000 in fiscal year 2025, of which $3,156,000 is for administration and $550,000 is for grants in each fiscal year.

(j) **Medical Education Research Cost (MERC).** Of the amount previously appropriated in the general fund by Laws 2015, chapter 71, article 3, section 2, for the MERC program, $150,000 in fiscal year 2023 and each year thereafter is for the administration of grants under Minnesota Statutes, section 62J.692.

(k) **No Surprises Act Enforcement.** $964,000 in fiscal year 2023 is from the general fund for implementation of the federal No Surprises Act portion of the Consolidated Appropriations Act, 2021, under Minnesota Statutes, section 62Q.021, subdivision 3. The general fund base for this appropriation is $763,000 in fiscal year 2024 and $757,000 in fiscal year 2025.

(l) **Public Health System Transformation.** $23,531,000 in fiscal year 2023 is from the general fund for public health system transformation. Of this appropriation:

(1) $20,000,000 is for grants to community health boards under Minnesota Statutes, section 145A.131, subdivision 1, paragraph (f).

(2) $1,000,000 is for grants to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2b.

(3) $1,000,000 is for a public health AmeriCorps program grant under Minnesota Statutes, section 145.9292.

(4) $1,531,000 is for the commissioner to oversee and administer activities under this paragraph.

(m) **Revitalize Health Care Workforce.** $21,575,000 in fiscal year 2023 is from the health care access fund to address challenges of Minnesota's health care workforce. Of this appropriation:

(1) $2,073,000 in fiscal year 2023 is for the health professionals clinical training expansion and rural and underserved clinical rotations grant programs under Minnesota Statutes, section 144.1505, of which $423,000 is for administration and $1,650,000 is for grants. Grant appropriations are available until expended under Minnesota Statutes, section 144.1505, subdivision 2.

(2) $4,507,000 in fiscal year 2023 is for the primary care rural residency training grant program under Minnesota Statutes, section 144.1507, of which $207,000 is for administration and $4,300,000 is for grants. Grant appropriations are available until expended under Minnesota Statutes, section 144.1507, subdivision 2.

(3) $430,000 in fiscal year 2023 is for the international medical graduates assistance program under Minnesota Statutes, section 144.1911, for international immigrant medical graduates to fill a gap in their preparedness for medical residencies or transition to a new career making use of their medical degrees. Of this appropriation, $55,000 is for administration and $375,000 is for grants.

(4) $12,565,000 in fiscal year 2023 is for a grant program to health care systems, hospitals, clinics, and other providers to ensure the availability of clinical training for students, residents, and graduate

students to meet health professions educational requirements under Minnesota Statutes, section 144.1511, of which $565,000 is for administration and $12,000,000 is for grants.

(5) $2,000,000 in fiscal year 2023 is for the mental health cultural community continuing education grant program, of which $460,000 is for administration and $1,540,000 is for grants.

(n) **School Health.** $837,000 in fiscal year 2023 is from the general fund for the School Health Initiative under Minnesota Statutes, section 145.988. The general fund base for this appropriation is $3,462,000 in fiscal year 2024, of which $1,212,000 is for administration and $2,250,000 is for grants and $3,287,000 in fiscal year 2025, of which $1,037,000 is for administration and $2,250,000 is for grants.

(o) **Trauma System.** $61,000 in fiscal year 2023 is from the general fund to administer the trauma care system throughout the state under Minnesota Statutes, sections 144.602, 144.603, 144.604, 144.606, and 144.608. $430,000 in fiscal year 2023 is from the state government special revenue fund for trauma designations according to Minnesota Statutes, sections 144.122, paragraph (g), 144.605, and 144.6071.

(p) **Mental Health Providers; Loan Forgiveness, Grants, Information Clearinghouse.** $4,275,000 in fiscal year 2023 is from the general fund for activities to increase the number of mental health professionals in the state. Of this appropriation:

(1) $1,000,000 is for loan forgiveness under the health professional education loan forgiveness program under Minnesota Statutes, section 144.1501, notwithstanding the priorities and distribution requirements in that section, for eligible mental health professionals who provide clinical supervision in their designated field;

(2) $3,000,000 is for the mental health provider supervision grant program under Minnesota Statutes, section 144.1508;

(3) $250,000 is for the mental health professional scholarship grant program under Minnesota Statutes, section 144.1509; and

(4) $25,000 is for the commissioner to establish and maintain a website to serve as an information clearinghouse for mental health professionals and individuals seeking to qualify as a mental health professional. The website must contain information on the various master's level programs to become a mental health professional, requirements for supervision, where to find supervision, how to access tools to study for the applicable licensing examination, links to loan forgiveness programs and tuition reimbursement programs, and other topics of use to individuals seeking to become a mental health professional. This is a onetime appropriation.

(q) **Palliative Care Advisory Council.** $44,000 in fiscal year 2023 is from the general fund for the Palliative Care Advisory Council under Minnesota Statutes, section 144.059.

(r) **Emmett Louis Till Victims Recovery Program.** $500,000 in fiscal year 2023 is from the general fund for the Emmett Louis Till Victims Recovery Program. This is a onetime appropriation and is available until June 30, 2024.

(s) **Changes to Birth Certificates.** $75,000 in fiscal year 2023 is from the state government special revenue fund for implementation of Minnesota Statutes, section 144.2182. The state government special revenue fund base for this appropriation is $7,000 in fiscal year 2024 and $7,000 in fiscal year 2025.

(t) **Study; POLST Forms.** $292,000 in fiscal year 2023 is from the general fund for the commissioner to study the creation of a statewide registry of provider orders for life-sustaining treatment and issue a report and recommendations.

(u) **Benefit and Cost Analysis of Universal Health Reform Proposal.** $461,000 in fiscal year 2023 is from the general fund for an analysis of the benefits and costs of a universal health care financing system and a similar analysis of the current health care financing system. Of this appropriation, $250,000 is for a contract with the University of Minnesota School of Public Health and the Carlson School of Management. The general fund base for this appropriation is $288,000 in fiscal year 2024, of which $250,000 is for a contract with the University of Minnesota School of Public Health and the Carlson School of Management, and $0 in fiscal year 2025.

(v) **Technical Assistance; Health Care Trends and Costs.** $5,000,000 in fiscal year 2023 is from the general fund for technical assistance to the Health Care Affordability Board in analyzing health care trends and costs and setting health care spending growth targets.

(w) **Sexual Exploitation and Trafficking Study.** $300,000 in fiscal year 2023 is to fund a prevalence study on youth and adult victim survivors of sexual exploitation and trafficking. This is a onetime appropriation and is available until June 30, 2024.

(x) **Local and Tribal Public Health Emergency Preparedness and Response.** $9,000,000 in fiscal year 2023 is from the general fund for distribution to local and Tribal public health organizations for emergency preparedness and response capabilities. At least 90 percent of this appropriation must be distributed to local and Tribal public health organizations, and up to ten percent of this appropriation may be used by the commissioner for administrative costs. Use of this appropriation must align with the Centers for Disease Control and Prevention's issued report: Public Health Emergency Preparedness and Response Capabilities: National Standards for State, Local, Tribal, and Territorial Public Health.

(y) **Grants to Local Public Health Departments.** $16,172,000 in fiscal year 2023 is from the general fund for grants to local public health departments for public health response related to defining elevated blood lead level as 3.5 micrograms of lead or greater per deciliter of whole blood. Of this amount, $172,000 is available to the commissioner for administrative costs. This appropriation is available until June 30, 2025. The general fund base for this appropriation is $5,000,000 in fiscal year 2024 and $5,000,000 in fiscal year 2025.

(z) **Loan Forgiveness for Nursing Instructors.** Notwithstanding the priorities and distribution requirements in Minnesota Statutes, section 144.1501, $50,000 in fiscal year 2023 is from the general fund for loan forgiveness under the health professional education loan forgiveness program under Minnesota Statutes, section 144.1501, for eligible nurses who agree to teach.

(aa) **Mental Health of Health Care Workers.** $1,000,000 in fiscal year 2023 is from the general fund for competitive grants to hospitals, community health centers, rural health clinics, and medical professional associations to establish or enhance evidence-based or evidence-informed programs dedicated to improving the mental health of health care professionals.

(bb) **Prevention of Violence in Health Care.** $50,000 in fiscal year 2023 is from the general fund to continue the prevention of violence in health care programs and to create violence prevention resources for hospitals and other health care providers to use to train their staff on violence prevention.

(cc) **Hospital Nursing Loan Forgiveness.** $5,000,000 in fiscal year 2023 is from the general fund for the hospital nursing loan forgiveness program under Minnesota Statutes, section 144.1501.

(dd) **Program to Distribute COVID-19 Tests, Masks, and Respirators.** $15,000,000 in fiscal year 2023 is from the general fund for a program to distribute COVID-19 tests, masks, and respirators to individuals in the state. This is a onetime appropriation.

(ee) **Safe Harbor Grants.** $1,000,000 in fiscal year 2023 is for grants to fund supportive services, including but not limited to legal services, mental health therapy, substance use disorder counseling, and case management for sexually exploited youth or youth at risk of sexual exploitation under Minnesota Statutes, section 145.4716.

(ff) **Safe Harbor Regional Navigators.** $700,000 in fiscal year 2023 is for safe harbor regional navigators under Minnesota Statutes, section 145.4717.

(gg) **Base Level Adjustments.** The general fund base is increased $195,645,000 in fiscal year 2024 and $195,063,000 in fiscal year 2025. The health care access fund base is increased $21,575,000 in fiscal year 2024 and $21,575,000 in fiscal year 2025. The state government special revenue fund base is increased $437,000 in fiscal year 2024 and $437,000 in fiscal year 2025.

Subd. 3. **Health Protection**

Appropriations by Fund		
General	-0-	36,131,000
State Government Special Revenue	-0-	5,535,000

(a) **Climate Resiliency.** $1,977,000 in fiscal year 2023 is from the general fund for climate resiliency actions under Minnesota Statutes, section 144.9981. Of this appropriation, $977,000 is for administration and $1,000,000 is for grants. The general fund base for this appropriation is $988,000 in fiscal year 2024, of which $888,000 is for administration and $100,000 is for grants, and $989,000 in fiscal year 2025, of which $889,000 is for administration and $100,000 is for grants.

(b) **Lead Remediation in Schools and Child Care Settings.** $2,054,000 in fiscal year 2023 is from the general fund for a lead in drinking water remediation in schools and child care settings grant program under Minnesota Statutes, section 145.9272. Of this appropriation, $454,000 is for administration and $1,600,000 is for grants. The general fund base for this appropriation is $1,540,000 in fiscal year 2024, of which $370,000 is for administration and $1,170,000 is for grants, and $1,541,000 in fiscal year 2025, of which $371,000 is for administration and $1,170,000 is for grants.

(c) **Lead Service Line Inventory.** $4,029,000 in fiscal year 2023 is from the general fund for grants to public water suppliers to complete a lead service line inventory of their distribution systems under Minnesota Statutes, section 144.383, clause (6). Of this appropriation, $279,000 is for administration and $3,750,000 is for grants. The general fund base for this appropriation is $4,029,000 in fiscal year 2024, of which $279,000 is for administration and $3,750,000 is for grants, and $140,000 in fiscal year 2025, which is for administration.

(d) **Lead Service Line Replacement.** $5,000,000 in fiscal year 2023 is from the general fund for administrative costs related to the replacement of lead service lines in the state.

(e) **Mercury in Skin-Lightening Products Grants.** $100,000 in fiscal year 2023 is from the general fund for a skin-lightening products public awareness and education grant program under Minnesota Statutes, section 145.9275.

(f) **HIV Prevention for People Experiencing Homelessness.** $1,129,000 in fiscal year 2023 is from the general fund for expanding access to harm reduction services and improving linkages to care to prevent HIV/AIDS, hepatitis, and other infectious diseases for those experiencing homelessness or housing instability under Minnesota Statutes, section 145.924, paragraph (d). Of this appropriation, $169,000 is for administration and $960,000 is for grants.

(g) **Safety Improvements for State-Licensed Long-Term Care Facilities.** $5,500,000 in fiscal year 2023 is from the general fund for a temporary grant program for safety improvements for state-licensed long-term care facilities. Of this appropriation, $500,000 is for administration and $5,000,000 is for grants. The general fund base for this appropriation is $8,200,000 in fiscal year 2024 and $0 in fiscal year 2025. Of this appropriation in fiscal year 2024, $700,000 is for administration and $7,500,000 is for grants. This appropriation is available until June 30, 2025.

(h) **Mortuary Science.** $219,000 in fiscal year 2023 is from the state government special revenue fund for regulation of transfer care specialists under Minnesota Statutes, chapter 149A, and for additional reporting requirements under Minnesota Statutes, section 149A.94. The state government special revenue fund base for this appropriation is $132,000 in fiscal year 2024 and $61,000 in fiscal year 2025.

(i) **Drinking Water Lead Testing and Remediation; Day Care Facilities.** $1,000,000 in fiscal year 2023 is from the general fund for statewide testing of day care facilities for the presence of lead in drinking water and for remediation of contamination where found.

(j) **Public Health Response Contingency Account.** $20,000,000 in fiscal year 2023 is from the general fund for transfer to the public health response contingency account under Minnesota Statutes, section 144.4199.

(k) **Base Level Adjustments.** The general fund base is increased $17,269,000 in fiscal year 2024 and $5,065,000 in fiscal year 2025. The state government special revenue fund base is increased $5,242,000 in fiscal year 2024 and $5,171,000 in fiscal year 2025.

Sec. 4. **HEALTH-RELATED BOARDS**

Subdivision 1. **Total Appropriation** **$-0-** **$203,000**

Appropriations by Fund

General Fund	-0-	175,000
State Government Special Revenue	-0-	28,000

This appropriation is from the state government special revenue fund unless specified otherwise. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Board of Dentistry**	-0-	3,000
Subd. 3. **Board of Dietetics and Nutrition Practice**	-0-	25,000
Subd. 4. **Board of Pharmacy**	-0-	175,000

This appropriation is from the general fund.

Medication repository program. $175,000 in fiscal year 2023 is from the general fund for transfer by the Board of Pharmacy to the central repository to be used to administer the medication repository program according to the contract between the central repository and the Board of Pharmacy.

Sec. 5. **COUNCIL ON DISABILITY**	**$-0-**	**$375,000**
Sec. 6. **EMERGENCY MEDICAL SERVICES REGULATORY BOARD**	**$-0-**	**$200,000**

This is a onetime appropriation.

Sec. 7. **BOARD OF DIRECTORS OF MNSURE**	**$-0-**	**$7,775,000**

This appropriation may be transferred to the MNsure account established in Minnesota Statutes, section 62V.07.

Base Adjustment. The general fund base for this appropriation is $10,982,000 in fiscal year 2024, $6,450,000 in fiscal year 2025, and $0 in fiscal year 2026.

Sec. 8. **HEALTH CARE AFFORDABILITY BOARD.**	**$-0-**	**$1,070,000**

(a) **Health Care Affordability Board.** $1,070,000 in fiscal year 2023 is from the general fund for the Health Care Affordability Board to implement Minnesota Statutes, sections 62J.86 to 62J.72.

(b) **Base Level Adjustment.** The general fund base is increased $347,000 in fiscal year 2024 and $415,000 in fiscal year 2025.

Sec. 9. **COMMISSIONER OF COMMERCE**	**$-0-**	**$251,000**

(a) **Prescription Drug Affordability Board.** $197,000 in fiscal year 2023 is from the general fund for the commissioner of commerce to establish the Prescription Drug Affordability Board under Minnesota Statutes, section 62J.87, and for the Prescription Drug Affordability Board to implement the Prescription Drug Affordability Act. Following the first meeting of the board and prior to June 30, 2023, the commissioner of commerce shall transfer any funds remaining from this appropriation to the board. The general fund base for this appropriation is $357,000 in fiscal year 2024 and $357,000 in fiscal year 2025.

(b) **Ectodermal Dysplasias.** $54,000 in fiscal year 2023 is from the general fund for costs related to insurance coverage of ectodermal dysplasias. The general fund base for this appropriation is $58,000 in fiscal year 2024 and $62,000 in fiscal year 2025.

Sec. 10. **COMMISSIONER OF LABOR AND INDUSTRY** **$-0-** **$641,000**

Nursing Home Workforce Standards Board. $641,000 in fiscal year 2023 is for establishment and operation of the Nursing Home Workforce Standards Board in Minnesota Statutes, sections 181.211 to 181.217. The general fund base for this appropriation is $322,000 in fiscal year 2024 and $368,000 in fiscal year 2025.

Sec. 11. **ATTORNEY GENERAL** **$-0-** **$456,000**

(a) **Expert Witnesses.** $200,000 in fiscal year 2023 is for expert witnesses and investigations under Minnesota Statutes, section 62J.844. This is a onetime appropriation.

(b) **Prescription Drug Enforcement.** $256,000 in fiscal year 2023 is for prescription drug enforcement. This is a onetime appropriation.

Sec. 12. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Operations and Maintenance** 621,968,000 621,968,000

(a) $15,000,000 in fiscal year 2022 and $15,000,000 in fiscal year 2023 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) $7,800,000 in fiscal year 2022 and $7,800,000 in fiscal year 2023 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(c) $4,000,000 in fiscal year 2022 and $4,000,000 in fiscal year 2023 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) $500,000 in fiscal year 2022 and $500,000 in fiscal year 2023 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) $150,000 in fiscal year 2022 and $150,000 in fiscal year 2023 are for the Chloe Barnes Advisory Council on Rare Diseases under Minnesota Statutes, section 137.68. The fiscal year 2023 appropriation shall be transferred to the Council on Disability. The base for this appropriation is $0 in fiscal year 2024 and later.

(f) The total operations and maintenance base for fiscal year 2024 and later is $620,818,000.

Sec. 13. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 29, is amended to read:

Subd. 29. **Grant Programs; Disabilities Grants**	31,398,000	31,010,000

(a) **Training Stipends for Direct Support Services Providers.** $1,000,000 in fiscal year 2022 is from the general fund for stipends for individual providers of direct support services as defined in Minnesota Statutes, section 256B.0711, subdivision 1. These stipends are available to individual providers who have completed designated voluntary trainings made available through the State-Provider Cooperation Committee formed by the State of Minnesota and the Service Employees International Union Healthcare Minnesota. Any unspent appropriation in fiscal year 2022 is available in fiscal year 2023. This is a onetime appropriation. This appropriation is available only if the labor agreement between the state of Minnesota and the Service Employees International Union Healthcare Minnesota under Minnesota Statutes, section 179A.54, is approved under Minnesota Statutes, section 3.855.

(b) **Parent-to-Parent Peer Support.** $125,000 in fiscal year 2022 and $125,000 in fiscal year 2023 are from the general fund for a grant to an alliance member of Parent to Parent USA to support the alliance member's parent-to-parent peer support program for families of children with a disability or special health care need.

(c) **Self-Advocacy Grants.** (1) $143,000 in fiscal year 2022 and $143,000 in fiscal year 2023 are from the general fund for a grant under Minnesota Statutes, section 256.477, subdivision 1.

(2) $105,000 in fiscal year 2022 and $105,000 in fiscal year 2023 are from the general fund for subgrants under Minnesota Statutes, section 256.477, subdivision 2.

(d) **Minnesota Inclusion Initiative Grants.** $150,000 in fiscal year 2022 and $150,000 in fiscal year 2023 are from the general fund for grants under Minnesota Statutes, section 256.4772.

(e) **Grants to Expand Access to Child Care for Children with Disabilities.** $250,000 in fiscal year 2022 and $250,000 in fiscal year 2023 are from the general fund for grants to expand access to child care for children with disabilities. Any unspent amount in fiscal year 2022 is available through June 30, 2023. This is a onetime appropriation.

(f) **Parenting with a Disability Pilot Project.** The general fund base includes $1,000,000 in fiscal year 2024 and $0 in fiscal year 2025 to implement the parenting with a disability pilot project.

(g) **Base Level Adjustment.** The general fund base is $29,260,000 in fiscal year 2024 and $22,260,000 in fiscal year 2025.

Sec. 14. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 31, is amended to read:

Subd. 31. **Grant Programs; Adult Mental Health Grants**

	Appropriations by Fund	
General	98,772,000	98,703,000
Opiate Epidemic Response	2,000,000	2,000,000

(a) **Culturally and Linguistically Appropriate Services Implementation Grants.** $2,275,000 in fiscal year 2022 and $2,206,000 in fiscal year 2023 are from the general fund for grants to disability services, mental health, and substance use disorder treatment providers to implement culturally and linguistically appropriate services standards, according to the implementation and transition plan developed by the commissioner. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base for this appropriation is $1,655,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) **Base Level Adjustment.** The general fund base is $93,295,000 in fiscal year 2024 and $83,324,000 in fiscal year 2025. The opiate epidemic response fund base is $2,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

Sec. 15. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 33, is amended to read:

Subd. 33. **Grant Programs; Chemical Dependency Treatment Support Grants**

	Appropriations by Fund	
General	4,273,000	4,274,000
Lottery Prize	1,733,000	1,733,000
Opiate Epidemic Response	500,000	500,000

(a) **Problem Gambling.** $225,000 in fiscal year 2022 and $225,000 in fiscal year 2023 are from the lottery prize fund for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling.

(b) **Recovery Community Organization Grants.** $2,000,000 in fiscal year 2022 and $2,000,000 in fiscal year 2023 are from the general fund for grants to recovery community organizations, as defined in Minnesota Statutes, section 254B.01, subdivision 8, to provide for costs and community-based peer recovery support services that are not otherwise eligible for reimbursement under Minnesota Statutes, section 254B.05, as part of the continuum of care for substance use disorders. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base for this appropriation is $2,000,000 in fiscal year 2024 and $0 in fiscal year 2025

(c) **Base Level Adjustment.** The general fund base is $4,636,000 in fiscal year 2024 and $2,636,000 in fiscal year 2025. The opiate epidemic response fund base is $500,000 in fiscal year 2024 and $0 in fiscal year 2025.

Sec. 16. Laws 2021, First Special Session chapter 7, article 17, section 3, is amended to read:

Sec. 3. **GRANTS FOR TECHNOLOGY FOR HCBS RECIPIENTS.**

(a) This act includes $500,000 in fiscal year 2022 and $2,000,000 in fiscal year 2023 for the commissioner of human services to issue competitive grants to home and community-based service providers. Grants must be used to provide technology assistance, including but not limited to Internet services, to older adults and people with disabilities who do not have access to technology resources necessary to use remote service delivery and telehealth. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base included in this act for this purpose is $1,500,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This section expires June 30, 2024.

Sec. 17. Laws 2021, First Special Session chapter 7, article 17, section 6, is amended to read:

Sec. 6. **TRANSITION TO COMMUNITY INITIATIVE.**

(a) This act includes $5,500,000 in fiscal year 2022 and $5,500,000 in fiscal year 2023 for additional funding for grants awarded under the transition to community initiative described in Minnesota Statutes, section 256.478. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base in this act for this purpose is $4,125,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This section expires June 30, 2024.

Sec. 18. Laws 2021, First Special Session chapter 7, article 17, section 10, is amended to read:

Sec. 10. **PROVIDER CAPACITY GRANTS FOR RURAL AND UNDERSERVED COMMUNITIES.**

(a) This act includes $6,000,000 in fiscal year 2022 and $8,000,000 in fiscal year 2023 for the commissioner to establish a grant program for small provider organizations that provide services to rural or underserved communities with limited home and community-based services provider capacity. The grants are available to build organizational capacity to provide home and community-based services in Minnesota and to build new or expanded infrastructure to access medical assistance reimbursement. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base in this act for this purpose is $8,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) The commissioner shall conduct community engagement, provide technical assistance, and establish a collaborative learning community related to the grants available under this section and work with the commissioner of management and budget and the commissioner of the Department of Administration to mitigate barriers in accessing grant funds. Funding awarded for the community engagement activities described in this paragraph is exempt from state solicitation requirements under Minnesota Statutes, section 16B.97, for activities that occur in fiscal year 2022.

(c) All grant activities must be completed by March 31, 2024.

(d) This section expires June 30, 2024.

Sec. 19. Laws 2021, First Special Session chapter 7, article 17, section 11, is amended to read:

Sec. 11. **EXPAND MOBILE CRISIS.**

(a) This act includes $8,000,000 in fiscal year 2022 and $8,000,000 in fiscal year 2023 for additional funding for grants for adult mobile crisis services under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (b), clause (15). Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base in this act for this purpose is $4,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) Beginning April 1, 2024, counties may fund and continue conducting activities funded under this section.

(c) All grant activities must be completed by March 31, 2024.

(d) This section expires June 30, 2024.

Sec. 20. Laws 2021, First Special Session chapter 7, article 17, section 12, is amended to read:

Sec. 12. **PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY AND CHILD AND ADOLESCENT MOBILE TRANSITION UNIT.**

(a) This act includes $2,500,000 in fiscal year 2022 and $2,500,000 in fiscal year 2023 for the commissioner of human services to create children's mental health transition and support teams to facilitate transition back to the community of children from psychiatric residential treatment facilities, and child and adolescent behavioral health hospitals. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base included in this act for this purpose is $1,875,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) Beginning April 1, 2024, counties may fund and continue conducting activities funded under this section.

(c) This section expires March 31, 2024.

Sec. 21. Laws 2021, First Special Session chapter 7, article 17, section 17, subdivision 3, is amended to read:

Subd. 3. **Respite services for older adults grants.** (a) This act includes $2,000,000 in fiscal year 2022 and $2,000,000 in fiscal year 2023 for the commissioner of human services to establish a grant program for respite services for older adults. The commissioner must award grants on a competitive basis to respite service providers. Any unspent amount in fiscal year 2022 is available through June 30, 2023. The general fund base included in this act for this purpose is $2,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This subdivision expires June 30, 2024.

Sec. 22. **APPROPRIATIONS FOR ADVISORY COUNCIL ON RARE DISEASES.**

In accordance with Minnesota Statutes, section 15.039, subdivision 6, the unexpended balance of money appropriated from the general fund to the Board of Regents of the University of Minnesota for purposes of the advisory council on rare diseases under Minnesota Statutes, section 137.68, shall be under control of the Minnesota Rare Disease Advisory Council and the Council on Disability.

Sec. 23. **APPROPRIATION ENACTED MORE THAN ONCE.**

If an appropriation is enacted more than once in the 2022 legislative session, the appropriation must be given effect only once.

Sec. 24. **SUNSET OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2023, unless a different effective date is explicit.

Sec. 25. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; changing provisions for health care and nursing facilities, hospital construction moratorium, radioactive material, ST elevation myocardial infarction response, health care coverage, cancer reporting system, lead hazard, safe drinking water, nursing home and health profession licensure, certain advisory councils, assisted living and home care providers, body art, medical cannabis, health care financing, certain health care and provider fees, certain health profession loan forgiveness programs, hospital core staffing plans, certain grant programs; modifying certain definitions adding provisions for hemp and edible cannabinoid product requirements, prohibiting discrimination in access to transplants changing provisions for medical assistance eligibility and coverage, co-payments, report requirements, treatment of trusts, telehealth requirements, health-related licensing board requirements, practice of pharmacy, temporary ambulance service, prescription drug price reporting and public posting, drug administration, medication repository program, health insurance coverage; establishing certain advisory councils and boards, managed care opt-out, public MinnesotaCare option, climate resiliency program, long COVID program, national suicide prevention lifeline number, drug overdose and substance abuse prevention, ombudsperson for managed care, certain grants, school health initiative, Emmett Louis Till Victims Recovery, Keeping Nurses at the Bedside Act, registry for life-sustaining treatment orders; allowing change of sex designation; addressing health disparities; requiring balance billing and analysis of Universal Health Reform proposal; making forecast adjustments; providing for fees; providing civil penalties; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 34A.01, subdivision 4; 62A.02, subdivision 1; 62A.25, subdivision 2; 62A.28, subdivision 2; 62A.30, by adding a subdivision; 62J.2930, subdivision 3; 62J.84, as amended; 62Q.021, by adding a subdivision; 62Q.55, subdivision 5; 62Q.556; 62Q.56, subdivision 2; 62Q.73,

subdivision 7; 62U.04, subdivision 11, by adding a subdivision; 62U.10, subdivision 7; 137.68; 144.1201, subdivisions 2, 4; 144.122; 144.1501, subdivision 4; 144.1503; 144.1505; 144.1911, subdivision 4; 144.292, subdivision 6; 144.383; 144.497; 144.554; 144.565, subdivision 4; 144.586, by adding a subdivision; 144.6502, subdivision 1; 144.651, by adding a subdivision; 144.69; 144.7055; 144.9501, subdivisions 9, 26a, 26b; 144.9505, subdivisions 1, 1h; 144A.01; 144A.03, subdivision 1; 144A.04, subdivisions 4, 6; 144A.06; 144A.4799, subdivisions 1, 3; 144A.75, subdivision 12; 144G.08, by adding a subdivision; 144G.15; 144G.17; 144G.19, by adding a subdivision; 144G.20, subdivisions 1, 4, 5, 8, 9, 12, 15; 144G.30, subdivision 5; 144G.31, subdivisions 4, 8; 144G.41, subdivisions 7, 8; 144G.42, subdivision 10; 144G.50, subdivision 2; 144G.52, subdivisions 2, 8, 9; 144G.53; 144G.55, subdivisions 1, 3; 144G.56, subdivisions 3, 5; 144G.57, subdivisions 1, 3, 5; 144G.70, subdivisions 2, 4; 144G.80, subdivision 2; 144G.90, subdivision 1, by adding a subdivision; 144G.91, subdivisions 13, 21; 144G.92, subdivision 1; 144G.93; 144G.95; 145.56, by adding subdivisions; 145.924; 145A.131, subdivisions 1, 5; 145A.14, by adding a subdivision; 146B.04, subdivision 1; 148B.33, by adding a subdivision; 148E.100, subdivision 3; 148E.105, subdivision 3; 148E.106, subdivision 3; 148E.110, subdivision 7; 149A.01, subdivisions 2, 3; 149A.02, subdivision 13a, by adding subdivisions; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90, subdivisions 2, 4, 5; 149A.94, subdivision 1; 150A.06, subdivisions 1c, 2c, 6, by adding a subdivision; 150A.09; 150A.091, subdivisions 2, 5, 8, 9, by adding subdivisions; 151.01, subdivisions 23, 27, by adding subdivisions; 151.071, subdivisions 1, 2; 151.37, by adding a subdivision; 151.555, as amended; 151.72, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.01, subdivision 23; 152.02, subdivisions 2, 3; 152.11, by adding a subdivision; 152.12, by adding a subdivision; 152.125; 152.22, subdivision 8, by adding subdivisions; 152.25, subdivision 1, by adding a subdivision; 152.29, subdivisions 3a, 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 152.35; 152.36; 153.16, subdivision 1; 256.01, by adding a subdivision; 256.969, by adding a subdivision; 256B.021, subdivision 4; 256B.055, subdivisions 2, 17; 256B.056, subdivisions 3, 3b, 3c, 4, 7, 11; 256B.0595, subdivision 1; 256B.0625, subdivisions 13f, 17a, 18h, 22, 28b, 64, by adding subdivisions; 256B.0631, as amended; 256B.69, subdivisions 4, 5c, 28, 36; 256B.692, subdivision 1; 256B.6925, subdivisions 1, 2; 256B.6928, subdivision 3; 256B.76, subdivision 1; 256B.77, subdivision 13; 256L.03, subdivisions 1a, 5; 256L.04, subdivisions 1c, 7a, 10, by adding a subdivision; Minnesota Statutes 2021 Supplement, sections 62J.497, subdivisions 1, 3; 62J.84, subdivisions 6, 9; 144.0724, subdivision 4; 144.1481, subdivision 1; 144.1501, subdivisions 1, 2, 3; 144.551, subdivision 1; 144.9501, subdivision 17; 148B.5301, subdivision 2; 151.335; 151.72, subdivision 5; 152.27, subdivision 2; 152.29, subdivisions 1, 3; 256B.0371, subdivision 4; 256B.04, subdivision 14; 256B.0625, subdivisions 3b, 9, as amended, 13, 17, 30, 31; 256B.0631, subdivision 1, as amended; 256L.07, subdivision 1; 256L.15, subdivision 2; 363A.50; Laws 2015, chapter 71, article 14, section 2, subdivision 5, as amended; Laws 2020, First Special Session chapter 7, section 1, subdivisions 1, as amended, 5, as amended; Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 2; Laws 2021, First Special Session chapter 7, article 1, section 36; article 3, section 44; article 16, section 2, subdivisions 29, 31, 33; article 17, sections 3; 6; 10; 11; 12; 17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J; 62Q; 62W; 115; 144; 144A; 145; 149A; 152; 256B; 256L; repealing Minnesota Statutes 2020, sections 150A.091, subdivisions 3, 15, 17; 256B.057, subdivision 7; 256B.063; 256B.69, subdivision 20; 501C.0408, subdivision 4; 501C.1206; Minnesota Statutes 2021 Supplement, section 144G.07, subdivision 6."

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

The report was adopted.

Pinto from the Committee on Early Childhood Finance and Policy to which was referred:

H. F. No. 4735, A bill for an act relating to early childhood; repealing obsolete language; repealing Minnesota Statutes 2020, section 124D.165, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CHILD CARE ASSISTANCE

Section 1. Minnesota Statutes 2020, section 119B.011, subdivision 2, is amended to read:

Subd. 2. **Applicant.** "Child care fund applicants" means all parents~~,~~; stepparents~~,~~; legal guardians~~, or~~; eligible relative caregivers ~~who are~~; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor custodians or guardians as established by section 256N.22, subdivision 10; or foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b. Applicants must be members of the family and reside in the household that applies for child care assistance under the child care fund.

EFFECTIVE DATE. This section is effective August 7, 2023.

Sec. 2. Minnesota Statutes 2020, section 119B.011, subdivision 5, is amended to read:

Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a parent~~,~~; stepparent~~,~~; legal guardian~~,~~; eligible relative caregiver~~,~~; relative custodian who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor custodian or guardian as established according to section 256N.22, subdivision 10; foster parent providing care to a child placed in a family foster home under section 260C.007, subdivision 16b; or ~~the spouses~~ spouse of any of the foregoing in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

EFFECTIVE DATE. This section is effective August 7, 2023.

Sec. 3. Minnesota Statutes 2020, section 119B.011, subdivision 13, is amended to read:

Subd. 13. **Family.** "Family" means parents~~,~~; stepparents~~,~~; guardians and their spouses~~, or~~; other eligible relative caregivers and their spouses~~,~~; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor custodians or guardians as established according to section 256N.22, subdivision 10, and their spouses; or foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b, and their spouses; and ~~their blood related~~ the blood-related dependent children and adoptive siblings under the age of 18 years living in the same home ~~including~~ of the above. This definition includes children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities ~~or parents, stepparents, guardians and their spouses, or other relative caregivers and their spouses~~ and adults temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents~~,~~; stepparents~~,~~; guardians~~,~~ and their spouses; relative custodians who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor custodians or guardians as established according to section 256N.22, subdivision 10, and their spouses; foster parents providing care to a child placed in a family foster home under section 260C.007, subdivision 16b, and their spouses; or eligible relative caregivers and their spouses residing in the same household.

EFFECTIVE DATE. This section is effective August 7, 2023.

Sec. 4. Minnesota Statutes 2021 Supplement, section 119B.03, subdivision 4a, is amended to read:

Subd. 4a. **~~Temporary reprioritization~~ Funding priorities.** (a) ~~Notwithstanding subdivision 4~~ In the event that inadequate funding necessitates the use of waiting lists, priority for child care assistance under the basic sliding fee assistance program shall be determined according to this subdivision ~~beginning July 1, 2021, through May 31, 2024~~.

(b) First priority must be given to eligible non-MFIP families who do not have a high school diploma or commissioner of education-selected high school equivalency certification or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment and who need child care assistance to participate in the education program. This includes student parents as defined under section 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

(1) child care needs of minor parents;

(2) child care needs of parents under 21 years of age; and

(3) child care needs of other parents within the priority group described in this paragraph.

(c) Second priority must be given to families in which at least one parent is a veteran, as defined under section 197.447.

(d) Third priority must be given to eligible families who do not meet the specifications of paragraph (b), (c), (e), or (f).

(e) Fourth priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

(f) Fifth priority must be given to eligible families receiving services under section 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition year, or if the parents are no longer receiving or eligible for DWP supports.

(g) Families under paragraph (f) must be added to the basic sliding fee waiting list on the date they complete their transition year under section 119B.011, subdivision 20.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 5. Minnesota Statutes 2021 Supplement, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~November 15, 2021~~ October 3, 2022, the maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be~~:~~

~~(1) for all infants and toddlers,~~ the greater of the ~~40th~~ 75th percentile of the 2021 child care provider rate survey or the rates in effect at the time of the update~~; and~~.

~~(2) for all preschool and school-age children, the greater of the 30th percentile of the 2021 child care provider rate survey or the rates in effect at the time of the update.~~

(b) Beginning the first full service period on or after January 1, 2025, and every three years thereafter, the maximum rate paid for child care assistance in a county or county price cluster under the child care fund shall be~~:~~

~~(1) for all infants and toddlers,~~ the greater of the ~~40th~~ 75th percentile of the ~~2024~~ most recent child care provider rate survey or the rates in effect at the time of the update~~; and~~.

~~(2) for all preschool and school age children, the greater of the 30th percentile of the 2024 child care provider rate survey or the rates in effect at the time of the update.~~

The rates under paragraph (a) continue until the rates under this paragraph go into effect.

(c) For a child care provider located within the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child care assistance shall be equal to the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less. The commissioner may: (1) assign a county with no reported provider prices to a similar price cluster; and (2) consider county level access when determining final price clusters.

(d) A rate which includes a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision.

(e) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care.

(f) If a child uses one provider, the maximum payment for one day of care must not exceed the daily rate. The maximum payment for one week of care must not exceed the weekly rate.

(g) If a child uses two providers under section 119B.097, the maximum payment must not exceed:

(1) the daily rate for one day of care;

(2) the weekly rate for one week of care by the child's primary provider; and

(3) two daily rates during two weeks of care by a child's secondary provider.

(h) Child care providers receiving reimbursement under this chapter must not be paid activity fees or an additional amount above the maximum rates for care provided during nonstandard hours for families receiving assistance.

(i) If the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(j) Beginning October 3, 2022, the maximum registration fee paid for child care assistance in any county or county price cluster under the child care fund shall be ~~set as follows: (1) beginning November 15, 2021,~~ the greater of the ~~40th~~ 75th percentile of the ~~2021~~ most recent child care provider rate survey or the registration fee in effect at the time of the update~~; and (2) beginning the first full service period on or after January 1, 2025, the maximum registration fee shall be the greater of the 40th percentile of the 2024 child care provider rate survey or the registration fee in effect at the time of the update. The registration fees under clause (1) continue until the registration fees under clause (2) go into effect~~.

(k) Maximum registration fees must be set for licensed family child care and for child care centers. For a child care provider located in the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns, the maximum registration fee paid for child care assistance shall be equal to the maximum registration fee paid in the county with the highest maximum registration fee or the provider's charge, whichever is less.

Sec. 6. Minnesota Statutes 2020, section 119B.19, subdivision 7, is amended to read:

Subd. 7. **Child care resource and referral programs.** Within each region, a child care resource and referral program must:

(1) maintain one database of all existing child care resources and services and one database of family referrals;

(2) provide a child care referral service for families;

(3) develop resources to meet the child care service needs of families;

(4) increase the capacity to provide culturally responsive child care services;

(5) coordinate professional development opportunities for child care and school-age care providers;

(6) administer and award child care services grants;

(7) cooperate with the Minnesota Child Care Resource and Referral Network and its member programs to develop effective child care services and child care resources; ~~and~~

(8) assist in fostering coordination, collaboration, and planning among child care programs and community programs such as school readiness, Head Start, early childhood family education, local interagency early intervention committees, early childhood screening, special education services, and other early childhood care and education services and programs that provide flexible, family-focused services to families with young children to the extent possible~~.~~;

(9) administer the child care one-stop regional assistance network to assist child care providers and individuals interested in becoming child care providers with establishing and sustaining a licensed family child care or group family child care program or a child care center; and

(10) provide supports that enable economically challenged individuals to obtain the job skills training, career counseling, and job placement assistance necessary to begin a career path in child care.

Sec. 7. **[119B.196] BRAIN BUILDERS BONUS PROGRAM.**

Subdivision 1. **Establishment; purpose.** The commissioner of human services shall establish the brain builders bonus program to provide competitive grants to eligible child care providers who care for infants, as defined in Minnesota Statutes, section 245A.02, subdivision 19. The purpose of this program is to improve continuity of care by increasing the number of infants who are cared for by a familiar caregiver for at least one year.

Subd. 2. **Administration.** (a) The commissioner may administer the program through a grant to a nonprofit with the demonstrated ability to manage benefit programs for child care professionals. Up to ten percent of the annual appropriation may be used by the commissioner for evaluation and data collection and to administer the program.

(b) Applicants must apply for the grants using the forms and according to timelines established by the commissioner.

Subd. 3. **Eligibility.** To be eligible for a grant under this section, an applicant must:

(1) care for one or more infants who receive child care assistance under this chapter or an early learning scholarship under section 124D.165 at least 30 hours a week; and

(2) either:

(i) be a licensed family child care provider or an unrelated individual who works for a licensed family child care provider; or

(ii) be a legal, nonlicensed child care provider, as defined in section 119B.011, subdivision 16.

Subd. 4. **Grant awards.** (a) The commissioner must establish a process to award grants under this section.

(b) A grant recipient who is or works for a licensed family child care provider may receive up to $5,000 each year under this section. A grant recipient who is a legal nonlicensed child care provider may receive up to $4,500 each year under this section.

(c) A grant recipient may use the grant money for program supplies, training, or personal expenses.

(d) Grant award amounts shall be paid in two installments. The first installment shall be paid six months after initial notification of receiving a grant and the second installment shall be paid 12 months after initial notification. A grant recipient shall receive 50 percent of the awarded amount in each installment provided the recipient documents, in a form and manner specified by the commissioner, that the recipient continues to care for at least one child under the age of 24 months who was in the recipient's care at the time of application.

Subd. 5. **Reporting requirement.** By January 31, 2024, the commissioner shall report to the legislative committees with jurisdiction over child care on implementation of the program, including the number of grants awarded to recipients and outcomes of the grant program.

Sec. 8. **[119B.27] SHARED SERVICES GRANTS.**

The commissioner of human services shall establish a grant program to enable family child care providers to implement shared services alliances.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 9. **[119B.28] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY GRANTS.**

The commissioner of human services shall distribute money through grants to one or more organizations to offer grants or other supports to child care providers to improve their access to computers, the Internet, subscriptions to online child care management applications, and other technologies intended to improve business practices. Up to ten percent of the grant funds may be used to administer the program.

Sec. 10. Laws 2021, First Special Session chapter 7, article 14, section 21, subdivision 4, is amended to read:

Subd. 4. **Grant awards.** (a) The commissioner shall award transition grants to all eligible programs on a noncompetitive basis through August 31, 2021.

(b) The commissioner shall award base grant amounts to all eligible programs on a noncompetitive basis beginning September 1, 2021~~, through June 30, 2023~~. The base grant amounts shall be:

(1) based on the full-time equivalent number of staff who regularly care for children in the program, including any employees, sole proprietors, or independent contractors; and

~~(2) reduced between July 1, 2022, and June 30, 2023, with amounts for the final month being no more than 50 percent of the amounts awarded in September 2021; and~~

~~(3)~~ (2) enhanced in amounts determined by the commissioner for any providers receiving payments through the child care assistance program under sections 119B.03 and 119B.05 or early learning scholarships under section 124D.165.

(c) The commissioner may provide grant amounts in addition to any base grants received to eligible programs in extreme financial hardship until all money set aside for that purpose is awarded.

(d) The commissioner may pay any grants awarded to eligible programs under this section in the form and manner established by the commissioner, except that such payments must occur on a monthly basis.

Sec. 11. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ALLOCATING BASIC SLIDING FEE FUNDS.**

Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the commissioner of human services must allocate additional basic sliding fee child care money for calendar year 2024 to counties and Tribes to account for the change in the definition of family. In allocating the additional money, the commissioner shall consider:

(1) the number of children in the county or Tribe who receive care from a relative custodian who accepted a transfer of permanent legal and physical custody of a child under section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor custodian or guardian as established according to section 256N.22, subdivision 10; or foster parents in a family foster home under section 260C.007, subdivision 16b; and

(2) the average basic sliding fee cost of care in the county or Tribe.

Sec. 12. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; INCREASE FOR MAXIMUM RATES.**

Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the commissioner of human services shall allocate additional basic sliding fee child care funds for calendar year 2023 to counties and Tribes for updated maximum rates based on relative need to cover maximum rate increases. In distributing the additional funds, the commissioner shall consider the following factors by county and Tribe:

(1) number of children covered by the county or Tribe;

(2) provider types that care for covered children;

(3) age of covered children; and

(4) amount of the increase in maximum rates.

Sec. 13. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD CARE AND DEVELOPMENT FUND ALLOCATION.**

The commissioner of human services shall allocate $75,364,000 in fiscal year 2023 from the child care and development fund for rate and registration fee increases under Minnesota Statutes, section 119B.13, subdivision 1, paragraphs (a) and (j). This is a onetime allocation.

Sec. 14. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; COST ESTIMATION MODEL FOR EARLY CARE AND LEARNING PROGRAMS.**

(a) The commissioner of human services shall develop a cost estimation model for providing early care and learning in the state. In developing the model, the commissioner shall consult with relevant entities and stakeholders, including but not limited to the State Advisory Council on Early Childhood Education and Care under Minnesota Statutes, section 124D.141; county administrators; child care resource and referral organizations under Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing caregivers, teachers, and directors.

(b) The commissioner shall contract with an organization with experience and expertise in early care and learning cost estimation modeling to conduct the work outlined in this section. If practicable, the commissioner shall contract with First Children's Finance.

(c) The commissioner shall ensure that the model can estimate variation in the cost of early care and learning by:

(1) quality of care;

(2) geographic area;

(3) type of child care provider and associated licensing standards;

(4) age of child;

(5) whether the early care and learning is inclusive, caring for children with disabilities alongside children without disabilities;

(6) provider and staff compensation, including benefits such as professional development stipends, health benefits, and retirement benefits;

(7) a provider's fixed costs, including rent and mortgage payments, property taxes, and business-related insurance payments;

(8) a provider's operating expenses, including expenses for training and substitutes; and

(9) a provider's hours of operation.

(d) By January 30, 2024, the commissioner shall report to the legislative committees with jurisdiction over early childhood programs on the development of the cost estimation model. The report shall include:

(1) recommendations for how the model could be used in conjunction with a child care provider wage scale to set provider payment rates for child care assistance under Minnesota Statutes, chapter 119B; and

(2) the department's plan to seek federal approval to use the model for provider payment rates for child care assistance.

Sec. 15. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD CARE PROVIDER WAGE SCALE.**

(a) The commissioner of human services shall develop, in consultation with the commissioner of employment and economic development, the commissioner of education, and relevant stakeholders, a child care provider wage scale that:

(1) provides for wages that are equivalent to elementary school educators with similar credentials and experience;

(2) incentivizes child care providers and staff to increase child care-related qualifications;

(3) incorporates payments toward compensation benefits, including professional development stipends, health benefits, and retirement benefits; and

(4) accounts for the business structures of different types of child care providers, including licensed family child care providers and legal, nonlicensed child care providers.

(b) By January 30, 2024, the commissioner shall report to the legislative committees with jurisdiction over early childhood programs on the development of the wage scale and make recommendations for how the wage scale could be used to inform payment rates for child care assistance under Minnesota Statutes, chapter 119B.

Sec. 16. **REPEALER.**

Minnesota Statutes 2020, section 119B.03, subdivision 4, is repealed effective July 1, 2022.

ARTICLE 2
CHILD CARE LICENSING

Section 1. Minnesota Statutes 2020, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 245A.04, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section 256B.04, subdivision 21, paragraph (g); ~~and~~

(4) each managerial official whose responsibilities include the direction of the management or policies of a program~~.~~; and

(5) the individual designated as the primary provider of care for a special family child care program under section 245A.14, subdivision 4, paragraph (i).

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 2. Minnesota Statutes 2020, section 245A.04, subdivision 4, is amended to read:

Subd. 4. **Inspections; waiver.** (a) Before issuing a license under this chapter, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:

(1) an inspection of the physical plant;

(2) an inspection of records and documents;

(3) observation of the program in operation; and

(4) an inspection for the health, safety, and fire standards in licensing requirements for a child care license holder.

(b) The observation in paragraph (a), clause (3), is not required prior to issuing a license under subdivision 7. If the commissioner issues a license under this chapter, these requirements must be completed within one year after the issuance of the license.

(c) Before completing a licensing inspection in a family child care program or child care center, the licensing agency must offer the license holder an exit interview to discuss violations or potential violations of law or rule observed during the inspection and offer technical assistance on how to comply with applicable laws and rules. The commissioner shall not issue a correction order or negative licensing action for violations of law or rule not discussed in an exit interview, unless a license holder chooses not to participate in an exit interview or not to complete the exit interview. If the license holder is unable to complete the exit interview, the licensing agency must offer an alternate time for the license holder to complete the exit interview.

(d) If a family child care license holder disputes a county licensor's interpretation of a licensing requirement during a licensing inspection or exit interview, the license holder may, within five business days after the exit interview or licensing inspection, request clarification from the commissioner, in writing, in a manner prescribed by the commissioner. The license holder's request must describe the county licensor's interpretation of the licensing requirement at issue, and explain why the license holder believes the county licensor's interpretation is inaccurate. The commissioner and the county must include the license holder in all correspondence regarding the disputed

interpretation, and must provide an opportunity for the license holder to contribute relevant information that may impact the commissioner's decision. The county licensor must not issue a correction order related to the disputed licensing requirement until the commissioner has provided clarification to the license holder about the licensing requirement.

(e) The commissioner or the county shall inspect at least ~~annually~~ once each calendar year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance with applicable licensing standards.

(f) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports of all child care providers licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in licensed child care settings each year.

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

Sec. 3. Minnesota Statutes 2021 Supplement, section 245A.14, subdivision 4, is amended to read:

Subd. 4. **Special family child care homes.** Nonresidential child care programs serving 14 or fewer children that are conducted at a location other than the license holder's own residence shall be licensed under this section and the rules governing family child care or group family child care if:

(a) the license holder is the primary provider of care and the nonresidential child care program is conducted in a dwelling that is located on a residential lot;

(b) the license holder is an employer who may or may not be the primary provider of care, and the purpose for the child care program is to provide child care services to children of the license holder's employees;

(c) the license holder is a church or religious organization;

(d) the license holder is a community collaborative child care provider. For purposes of this subdivision, a community collaborative child care provider is a provider participating in a cooperative agreement with a community action agency as defined in section 256E.31;

(e) the license holder is a not-for-profit agency that provides child care in a dwelling located on a residential lot and the license holder maintains two or more contracts with community employers or other community organizations to provide child care services. The county licensing agency may grant a capacity variance to a license holder licensed under this paragraph to exceed the licensed capacity of 14 children by no more than five children during transition periods related to the work schedules of parents, if the license holder meets the following requirements:

(1) the program does not exceed a capacity of 14 children more than a cumulative total of four hours per day;

(2) the program meets a one to seven staff-to-child ratio during the variance period;

(3) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

(4) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

(5) the program is in compliance with local zoning regulations;

(6) the program is in compliance with the applicable fire code as follows:

(i) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2015, Section 202; or

(ii) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancies, as provided in the Minnesota State Fire Code 2015, Section 202, unless the rooms in which the children are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E occupancies, as provided in the Minnesota State Fire Code 2015, Section 202; and

(7) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

(f) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

(1) the program is in compliance with local zoning regulations;

(2) the program is in compliance with the applicable fire code as follows:

(i) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2015, Section 202; or

(ii) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancies, as provided under the Minnesota State Fire Code 2015, Section 202;

(3) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and

(4) the license holder prominently displays the license issued by the commissioner which contains the statement "This special family child care provider is not licensed as a child care center."

(g) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization licensed under paragraph (b), (c), or (e). Each license must have its own primary provider of care as required under paragraph (i). Each license must operate as a distinct and separate program in compliance with all applicable laws and regulations.

(h) For licenses issued under paragraph (b), (c), (d), (e), or (f), the commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder is able to demonstrate compliance with all applicable rules and laws. Each licensed program must operate as a distinct program and within the capacity, age, and ratio distributions of each license.

(i) For a license issued under paragraph (b), (c), or (e), the license holder must designate a person to be the primary provider of care at the licensed location on a form and in a manner prescribed by the commissioner. The license holder shall notify the commissioner in writing before there is a change of the person designated to be the primary provider of care. The primary provider of care:

(1) must be the person who will be the provider of care at the program and present during the hours of operation;

(2) must operate the program in compliance with applicable laws and regulations under chapter 245A and Minnesota Rules, chapter 9502;

(3) is considered a child care background study subject as defined in section 245C.02, subdivision 6a, and must comply with background study requirements in chapter 245C; ~~and~~

(4) must complete the training that is required of license holders in section 245A.50~~.~~;

(5) is authorized to communicate with the county licensing agency and the department on matters related to licensing; and

(6) must meet the requirements of Minnesota Rules, part 9502.0355, subpart 3, before providing group family child care.

(j) For any license issued under this subdivision, the license holder must ensure that any other caregiver, substitute, or helper who assists in the care of children meets the training requirements in section 245A.50 and background study requirements under chapter 245C.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 4. Minnesota Statutes 2020, section 245A.1435, is amended to read:

245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH IN LICENSED PROGRAMS.

(a) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's physician or advanced practice registered nurse directing an alternative sleeping position for the infant. The physician or advanced practice registered nurse directive must be on a form ~~approved~~ developed by the commissioner and must remain on file at the licensed location.

An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.

(b) The license holder must place the infant in a crib directly on a firm mattress with a fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of this section apply to license holders serving infants younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146. A correction order shall not be issued under this paragraph unless there is evidence that a violation occurred when an infant was present in the license holder's care.

(c) If an infant falls asleep before being placed in a crib, the license holder must move the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

(d) When a license holder places an infant under one year of age down to sleep, the infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

(e) A license holder may place an infant under one year of age down to sleep wearing a helmet if the license holder has signed documentation by a physician, advanced practice registered nurse, licensed occupational therapist, or a licensed physical therapist on a form developed by the commissioner.

~~(d)~~ (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this paragraph, a license holder may place the infant who has not yet begun to roll over on its own down to sleep in a ~~one-piece sleeper equipped with an attached system that fastens securely only across the upper torso, with no constriction of the hips or legs, to create a~~ swaddle. A swaddle is defined as one-piece sleepwear that wraps over the infant's arms, fastens securely only across the infant's upper torso, and does not constrict the infant's hips or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use of swaddling for sleep by a provider licensed under this chapter, the license holder must obtain informed written consent for the use of swaddling from the parent or guardian of the infant on a form ~~provided~~ developed by the commissioner ~~and prepared in partnership with the Minnesota Sudden Infant Death Center~~.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 5. Minnesota Statutes 2020, section 245A.1443, is amended to read:

245A.1443 ~~CHEMICAL DEPENDENCY~~ SUBSTANCE USE DISORDER TREATMENT LICENSED PROGRAMS THAT SERVE PARENTS WITH THEIR CHILDREN.

Subdivision 1. **Application.** This section applies to ~~chemical dependency~~ residential substance use disorder treatment facilities that are licensed under this chapter and ~~Minnesota Rules,~~ chapter ~~9530,~~ 245G and that provide services in accordance with section 245G.19.

Subd. 2. **Requirements for providing education.** (a) On or before the date of a child's initial physical presence at the facility, the license holder must provide education to the child's parent related to safe bathing and reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. The license holder must use the educational material developed by the commissioner to comply with this requirement. At a minimum, the education must address:

(1) instruction that a child or infant should never be left unattended around water, a tub should be filled with only two to four inches of water for infants, and an infant should never be put into a tub when the water is running; and

(2) the risk factors related to sudden unexpected infant death and abusive head trauma from shaking infants and young children, and means of reducing the risks, including the safety precautions identified in section 245A.1435 and the ~~dangers~~ risks of co-sleeping.

(b) The license holder must document the parent's receipt of the education and keep the documentation in the parent's file. The documentation must indicate whether the parent agrees to comply with the safeguards. If the parent refuses to comply, program staff must provide additional education to the parent ~~at appropriate intervals, at least weekly~~ as described in the parental supervision plan. The parental supervision plan must include the intervention, frequency, and staff responsible for the duration of the parent's participation in the program or until the parent agrees to comply with the safeguards.

Subd. 3. **Parental supervision of children.** (a) On or before the date of a child's initial physical presence at the facility, the license holder must ~~complete and~~ document ~~an assessment of~~ the parent's capacity to meet the health and safety needs of the child while on the facility premises~~, including identifying circumstances when the parent may be unable to adequately care for their child due to~~ considering the following factors:

(1) the parent's physical ~~or~~ and mental health;

(2) the parent being under the influence of drugs, alcohol, medications, or other chemicals;

~~(3) the parent being unable to provide appropriate supervision for the child; or~~

(3) the child's physical and mental health; and

(4) any other information available to the license holder that indicates the parent may not be able to adequately care for the child.

(b) The license holder must have written procedures specifying the actions to be taken by staff if a parent is or becomes unable to adequately care for the parent's child.

(c) If the parent refuses to comply with the safeguards described in subdivision 2 or is unable to adequately care for the child, the license holder must develop a parental supervision plan in conjunction with the client. The plan must account for any factors in paragraph (a) that contribute to the parent's inability to adequately care for the child. The plan must be dated and signed by the staff person who completed the plan.

Subd. 4. **Alternative supervision arrangements.** The license holder must have written procedures addressing whether the program permits a parent to arrange for supervision of the parent's child by another client in the program. If permitted, the facility must have a procedure that requires staff approval of the supervision arrangement before the supervision by the nonparental client occurs. The procedure for approval must include an assessment of the nonparental client's capacity to assume the supervisory responsibilities using the criteria in subdivision 3. The license holder must document the license holder's approval of the supervisory arrangement and the assessment of the nonparental client's capacity to supervise the child, and must keep this documentation in the file of the parent of the child being supervised.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 6. Minnesota Statutes 2020, section 245A.146, subdivision 3, is amended to read:

Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed on the license, all license holders shall check all their cribs' brand names and model numbers against the United States Consumer Product Safety Commission website listing of unsafe cribs.

(b) The license holder shall maintain written documentation to be reviewed on site for each crib showing that the review required in paragraph (a) has been completed, and which of the following conditions applies:

(1) the crib was not identified as unsafe on the United States Consumer Product Safety Commission website;

(2) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, but the license holder has taken the action directed by the United States Consumer Product Safety Commission to make the crib safe; or

(3) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, and the license holder has removed the crib so that it is no longer used by or accessible to children in care.

(c) Documentation of the review completed under this subdivision shall be maintained by the license holder on site and made available to parents or guardians of children in care and the commissioner.

(d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that complies with this section may use a mesh-sided or fabric-sided play yard, pack and play, or playpen or crib that has not been identified as unsafe on the United States Consumer Product Safety Commission website for the care or sleeping of infants.

(e) On at least a monthly basis, the family child care license holder shall perform safety inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used by or that is accessible to any child in care, and must document the following:

(1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of crib;

(2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

(3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

(4) no tears or holes to top rail of crib;

(5) the mattress floor board is not soft and does not exceed one inch thick;

(6) the mattress floor board has no rips or tears in covering;

(7) the mattress floor board in use is ~~a waterproof~~ an original mattress or replacement mattress provided by the manufacturer of the crib;

(8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

(9) there are no knobs or wing nuts on outside crib legs;

(10) there are no missing, loose, or exposed staples; and

(11) the latches on top and side rails used to collapse crib are secure, they lock properly, and are not loose.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 7. Minnesota Statutes 2020, section 245H.05, is amended to read:

245H.05 MONITORING AND INSPECTIONS.

(a) The commissioner must conduct an on-site inspection of a certified license-exempt child care center at least ~~annually~~ once each calendar year to determine compliance with the health, safety, and fire standards specific to a certified license-exempt child care center.

(b) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports for all certified centers including the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in certified centers each year.

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

Sec. 8. Minnesota Statutes 2020, section 245H.08, is amended by adding a subdivision to read:

Subd. 6. **Authority to modify requirements.** (a) Notwithstanding subdivisions 4 and 5, for children in kindergarten through 13 years old, the commissioner may increase the maximum group size to no more than 40 children and may increase the minimally acceptable staff-to-child ratio to one to 20 during a national security or peacetime emergency declared under section 12.31, or during a public health emergency declared due to a pandemic by the United States Secretary of Health and Human Services under section 319 of the Public Health Service Act, United States Code, title 42, section 247d.

(b) If the commissioner modifies requirements under this subdivision, a certified center operating under the modified requirements must have at least one staff person who is at least 18 years old with each group of 40 children.

Sec. 9. **CHILD CARE REGULATION MODERNIZATION; PILOT PROJECTS.**

The commissioner of human services may conduct and administer pilot projects to test methods and procedures for the projects to modernize regulation of child care centers and family child care allowed under Laws 2021, First Special Session chapter 7, article 2, sections 75 and 81. To carry out the pilot projects, the commissioner of human services may, by issuing a commissioner's order, waive enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The commissioner's order establishing the waiver must provide alternative methods and procedures of administration and must not be in conflict with the basic purposes, coverage, or benefits provided by law. In no event may a pilot project under this section extend beyond February 1, 2024. Pilot projects must comply with the requirements of the child care and development fund plan.

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

ARTICLE 3
APPROPRIATIONS; HEALTH AND HUMAN SERVICES

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 7, article 16, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2021, First Special Session chapter 7, article 16. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment unless a different effective date is explicit.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$65,854,000**

Appropriations by Fund

	2022	2023
General	-0-	65,854,000

Subd. 2. **Central Office; Operations**

Appropriations by Fund

	2022	2023
General	-0-	173,000

Base Level Adjustment. The general fund base is increased $783,000 in fiscal year 2024 and $174,000 in fiscal year 2025.

Subd. 3. **Central Office; Children and Families**	-0-	843,000

(a) Beginning in fiscal year 2025, the base shall include $125,000 for the ombudsperson for family child care providers under Minnesota Statutes, section 245.975.

(b) **Base Level Adjustment.** The general fund base is increased $493,000 in fiscal year 2024 and $405,000 in fiscal year 2025.

Subd. 4. **MFIP Child Care Assistance**	-0-	(24,000)
Subd. 5. **Grant Programs; BSF Child Care Grants**	-0-	-0-

Base Level Adjustment. The general fund base is increased $29,599,000 in fiscal year 2024 and $69,222,000 in fiscal year 2025 only. The TANF base is increased $23,500,000 in fiscal year 2024 and $23,500,000 in fiscal year 2025.

Subd. 6. **Grant Programs; Child Care Development Grants**	-0-	64,862,000

(a) **Child Care Provider Access to Technology Grants.** $300,000 in fiscal year 2023 is for child care provider access to technology grants pursuant to Minnesota Statutes, section 119B.28. The general fund base is increased $300,000 in fiscal year 2024 and $300,000 in fiscal year 2025.

(b) **One-Stop Regional Assistance Network.** Beginning in fiscal year 2025, the base shall include $1,200,000 from the general fund for a grant to the statewide child care resource and referral network to administer the child care one-stop shop regional assistance network in accordance with Minnesota Statutes, section 119B.19, subdivision 7, clause (9).

(c) **Child Care Workforce Development Grants.** Beginning in fiscal year 2025, the base shall include $1,300,000 for a grant to the statewide child care resource and referral network to administer the child care workforce development grants in accordance with Minnesota Statutes, section 119B.19, subdivision 7, clause (10).

(d) **Shared Services Innovation Grants.** The base shall include $500,000 in fiscal year 2024 and $500,000 in fiscal year 2025 for shared services innovation grants pursuant to Minnesota Statutes, section 119B.27.

(e) **Stabilization Grants for Child Care Providers Experiencing Financial Hardship.** $29,133,000 in fiscal year 2023 is for child care stabilization grants for child care programs in extreme financial hardship. This is a onetime appropriation. Money not distributed in fiscal year 2023 or 2024 shall be available until June 30, 2025. Use of grant money must be made in accordance with eligibility and compliance requirements established by the commissioner.

(f) **Cost Estimation Model for Early Care and Learning Programs.** $189,000 in fiscal year 2023 is to develop a cost estimation model for providing early care and learning. The general fund base is increased $86,000 in fiscal year 2024 and $0 in fiscal year 2025.

(g) **Child Care Provider Wage Scale.** $189,000 in fiscal year 2023 is to develop a wage scale for child care providers. The general fund base is increased $86,000 in fiscal year 2024 and $0 in fiscal year 2025.

(h) **Brain Builders Bonus Program.** $2,500,000 in fiscal year 2023 is for brain builders bonus grants under Minnesota Statutes, section 119B.196. This is a onetime appropriation and is available until June 30, 2025.

(i) **Child Care Stabilization Base Grants.** $30,000,000 in fiscal year 2023 is for child care stabilization base grants under Laws 2021, First Special Session chapter 7, article 14, section 21, subdivision 4, paragraph (b). The general fund base is increased $80,371,000 in fiscal year 2024 and $80,421,000 in fiscal year 2025.

(j) **Grants for Family, Friend, and Neighbor Caregivers.** $3,167,000 in fiscal year 2023 is for grants to community-based organizations working with family, friend, and neighbor caregivers. In awarding the grants, the commissioner shall prioritize community-based organizations working with family, friend, and neighbor caregivers who serve children from low-income families, families of color, Tribal communities, or families with limited English language proficiency. The commissioner may use up to ten percent of the appropriation for statewide outreach, training initiatives, research, and data collection. The general fund base is increased $3,383,000 in fiscal year 2024 and $3,383,000 in fiscal year 2025.

(k) **Base Level Adjustment.** The general fund base is increased $84,300,000 in fiscal year 2024 and $86,850,000 in fiscal year 2025.

Sec. 3. **APPROPRIATION; DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES.**

(a) $9,500,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of information technology services to develop and implement, to the extent practicable with the available appropriation, a plan to modernize the information technology systems that support the programs impacting early childhood, including child care and early learning programs and those serving young children administered by the Departments of Education and Human Services and other departments with programs impacting early childhood as identified by the Children's Cabinet. The commissioner may contract for the services contained in this section. This is a onetime appropriation and is available until June 30, 2027.

(b) The plan must support the goal of creating information technology systems for early childhood programs that collect, analyze, share, and report data on program participation, school readiness, early screening, and other childhood indicators. The plan must include strategies to:

(1) increase the efficiency and effectiveness with which early childhood programs serve children and families;

(2) improve coordination among early childhood programs for families; and

(3) assess the impact of early childhood programs on children's outcomes, including school readiness.

(c) In developing and implementing the plan required under this section, the commissioner or the contractor must consult with the commissioners of education and human services, and other departments with programs impacting early childhood as identified by the Children's Cabinet; the Children's Cabinet; and other stakeholders.

(d) By February 1, 2023, the commissioner must provide a preliminary report on the status of the plan's development and implementation to the chairs and ranking minority members of the committees of the legislature with jurisdiction over early childhood programs.

Sec. 4. **APPROPRIATION: MINNESOTA MANAGEMENT AND BUDGET.**

$500,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of management and budget to: (1) identify any state or federal statutes or administrative rules and practices that prevent or complicate data sharing among child care and early learning programs administered by the Departments of Education and Human Services and other departments with programs impacting early childhood as identified by the Children's Cabinet; and (2) support ongoing efforts to address any barriers to data sharing. The commissioner of management and budget must consult with the commissioners of education, human services, and information technology services; the Children's Cabinet; and other stakeholders. The commissioner of management and budget must report preliminary findings to the committees of the legislature with jurisdiction over early childhood programs by February 1, 2023, and make a final report by February 1, 2024. This is a onetime appropriation and is available until June 30, 2024.

ARTICLE 4
FORECAST ADJUSTMENT; HEALTH AND HUMAN SERVICES

Section 1. **HUMAN SERVICES APPROPRIATION.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2021, First Special Session chapter 7, article 16, from the general fund or any fund named to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

	APPROPRIATIONS Available for the Year Ending June 30 2022	2023
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**		
Subdivision 1. **Total Appropriation**	**$(103,347,000)**	**$73,738,000**
Appropriations by Fund		
General Fund	(103,347,000)	73,738,000
Subd. 2. **Forecasted Programs**		
MFIP Child Care Assistance	(103,347,000)	(73,738,000)

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

ARTICLE 5
EARLY EDUCATION

Section 1. Minnesota Statutes 2020, section 119A.52, is amended to read:

119A.52 DISTRIBUTION OF APPROPRIATION.

(a) The commissioner of education must distribute money appropriated for that purpose to federally designated Head Start programs to expand services and to serve additional low-income children~~. Migrant and Indian reservation programs must be initially allocated money based on the programs' share of federal funds.~~, which may include costs associated with program operations, infrastructure, or reconfiguration to serve children from birth to age five in center-based services. The distribution must occur in the following order: (1) 10.72 percent of the total Head Start appropriation must be allocated to federally designated Tribal Head Start programs; (2) the Tribal Head Start portion of the appropriation must be allocated to Tribal Head Start programs based on the programs' share of federal funds; and (3) migrant programs must then be initially allocated funding based on the programs' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start program must be funded at a per child rate equal to its contracted, federally funded base level at the start of the fiscal year. For all agencies without a federal Early Head Start rate, the state average federal cost per child for Early Head Start applies. In allocating funds under this paragraph, the commissioner of education must assure that each Head Start program in existence in 1993 is allocated no less funding in any fiscal year than was allocated to that program in fiscal year 1993. Before paying money to the programs, the commissioner must notify each program of its initial allocation and how the money must be used. Each program must present a plan under section 119A.535. For any program that cannot utilize its full allocation at the beginning of the fiscal year, the commissioner must reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible programs.

(b) The commissioner must develop procedures to make payments to programs based upon the number of children reported to be enrolled during the required time period of program operations. Enrollment is defined by federal Head Start regulations. The procedures must include a reporting schedule, corrective action plan requirements, and financial consequences to be imposed on programs that do not meet full enrollment after the

period of corrective action. Programs reporting chronic underenrollment, as defined by the commissioner, will have their subsequent program year allocation reduced proportionately. Funds made available by prorating payments and allocations to programs with reported underenrollment will be made available to the extent funds exist to fully enrolled Head Start programs through a form and manner prescribed by the department.

(c) Programs with approved innovative initiatives that target services to high-risk populations, including homeless families and families living in homeless shelters and transitional housing, are exempt from the procedures in paragraph (b). This exemption does not apply to entire programs. The exemption applies only to approved innovative initiatives that target services to high-risk populations, including homeless families and families living in homeless shelters, transitional housing, and permanent supportive housing.

Sec. 2. Minnesota Statutes 2020, section 121A.17, subdivision 3, is amended to read:

Subd. 3. **Screening program.** (a) A screening program must include at least the following components: developmental assessments, which may include parent report developmental screening instruments if the parent or child is unable to complete the screening in person due to an immunocompromised status or other health concern; hearing and vision screening or referral~~,~~; immunization review and referral~~,~~; the child's height and weight~~,~~; the date of the child's most recent comprehensive vision examination, if any~~,~~; identification of risk factors that may influence learning~~,~~; an interview with the parent about the child~~,~~; and referral for assessment, diagnosis, and treatment when potential needs are identified. The district and the person performing or supervising the screening must provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice must state "Early childhood developmental screening helps a school district identify children who may benefit from district and community resources available to help in their development. Early childhood developmental screening includes a vision screening that helps detect potential eye problems but is not a substitute for a comprehensive eye exam." The notice must clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the district and the person performing or supervising the screening must convey the information in another manner. The notice must also inform the parent or guardian that a child need not submit to the district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice must be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and must be given again at the screening location.

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. A developmental screening program must not provide laboratory tests or a physical examination to any child. The district must request from the public or private health care organization or the individual health care provider the results of any laboratory test or physical examination within the 12 months preceding a child's scheduled screening. For the purposes of this section, "comprehensive vision examination" means a vision examination performed by an optometrist or ophthalmologist.

(c) If a child is without health coverage, the school district must refer the child to an appropriate health care provider.

(d) A board may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

(e) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

Sec. 3. Minnesota Statutes 2020, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~$75~~ $98 for a child screened at age three; (2) ~~$50~~ $65 for a child screened at age four; (3) ~~$40~~ $52 for a child screened at age five or six prior to kindergarten; and (4) ~~$30~~ $39 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

Sec. 4. **[122A.731] GRANTS FOR GROW YOUR OWN EARLY CHILDHOOD EDUCATOR PROGRAMS.**

Subdivision 1. **Establishment.** The commissioner of education must award grants for Grow Your Own Early Childhood Educator programs established under this section in order to develop an early childhood education workforce that more closely reflects the state's increasingly diverse student population and to ensure all students have equitable access to high-quality early educators.

Subd. 2. **Grow Your Own Early Childhood Educator programs.** (a) Minnesota licensed family child care or licensed center-based child care programs, school district or charter school early learning programs, Head Start programs, institutes of higher education, and other community partnership nongovernment organizations may apply for a grant to host, build, or expand an early childhood educator preparation program that leads to an individual earning the credential or degree needed to enter or advance in the early childhood education workforce. Examples include programs that help interested individuals earn the Child Development Associate credential, an associate's degree in child development, or a bachelor's degree in early childhood studies or early childhood licensures. Programs must prioritize candidates that represent the demographics of the populations served. The grant recipient must use at least 80 percent of grant funds for student stipends and tuition scholarships.

(b) Programs providing financial support to interested individuals may require a commitment from the individuals awarded, as determined by the program, to teach in the program or school for a reasonable amount of time that does not exceed one year.

Subd. 3. **Grant procedure.** Eligible programs must apply for a grant under this section in the form and manner specified by the commissioner. To the extent that there are sufficient applications, the commissioner must, to the extent practicable, award an equal number of grants between applicants in greater Minnesota and those in the seven-county metropolitan area.

Subd. 4. **Grow Your Own Early Childhood Educator program account.** (a) The Grow Your Own Early Childhood Educator program account is established in the special revenue fund.

(b) Funds appropriated for the Grow Your Own Early Childhood Educator program under this section must be transferred to the Grow Your Own Early Childhood Educator program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for the Grow Your Own Early Childhood Educator program under this section. Any returned funds are available to be regranted. Grant recipients may apply to use grant money over a period of up to 60 months.

(d) Up to $300,000 annually is appropriated to the commissioner for costs associated with administering and monitoring the program under this section.

Subd. 5. **Report.** Grant recipients must annually report to the commissioner in the form and manner determined by the commissioner on their activities under this section, including the number of educators being supported through grant funds, the number of educators obtaining credentials by type, a comparison of the beginning level of education and ending level of education of individual participants, and an assessment of program effectiveness, including participant feedback, areas for improvement, and where applicable, employment changes and current employment status, after completing preparation programs. The commissioner must publish a public report that summarizes the activities and outcomes of grant recipients and what was done to promote sharing of effective practices among grant recipients and potential grant applicants.

Sec. 5. Minnesota Statutes 2020, section 124D.1158, subdivision 3, is amended to read:

Subd. 3. **Program reimbursement.** Each school year, the state must reimburse each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully paid breakfast served to students in grades 1 to 12, and $1.30 for each fully paid breakfast served to a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151, early childhood special education students participating in a program authorized under section 124D.151, or a kindergarten student.

Sec. 6. Minnesota Statutes 2020, section 124D.1158, subdivision 4, is amended to read:

Subd. 4. **No fees.** A school that receives school breakfast aid under this section must make breakfast available without charge to all participating students in grades 1 to 12 who qualify for free or reduced-price meals and to all prekindergarten students enrolled in an approved voluntary prekindergarten program under section 124D.151, early childhood special education students participating in a program authorized under section 124D.151, and all kindergarten students.

Sec. 7. Minnesota Statutes 2020, section 124D.13, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** (a) Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents and other relatives of these children, for adults who provide child care, and for expectant parents. To the extent that funds are insufficient to provide programs for all children, early childhood family education programs should emphasize programming for a child from birth to age three and encourage parents and other relatives to involve four- and five-year-old children in school readiness programs, and other public and nonpublic early learning programs. A district may not limit participation to school district residents. Early childhood family education programs must provide:

(1) programs to educate parents ~~and,~~ other relatives, and caregivers about the physical, cognitive, social, and emotional development of children and to enhance the skills of parents and other relatives in providing for their children's learning and development;

(2) structured learning activities requiring interaction between children and their parents ~~or~~, other relatives, and caregivers;

(3) structured learning activities for children that promote children's development and positive interaction with peers, which are held while parents ~~or~~, other relatives, and caregivers attend parent education classes;

(4) information on related community resources;

(5) information, materials, and activities that support the safety of children, including prevention of child abuse and neglect;

(6) a community needs assessment that identifies new and underserved populations, identifies child and family risk factors, particularly those that impact children's learning and development, and assesses family and parenting education needs in the community;

(7) programming and services that are tailored to the needs of families and parents prioritized in the community needs assessment; and

(8) information about and, if needed, assist in making arrangements for an early childhood health and developmental screening under sections 121A.16 and 121A.17, when the child nears the third birthday.

Early childhood family education programs should prioritize programming and services for families and parents identified in the community needs assessment, particularly those families and parents with children with the most risk factors birth to age three.

Early childhood family education programs are encouraged to provide parents of English learners with translated oral and written information to monitor the program's impact on their children's English language development, to know whether their children are progressing in developing their English and native language proficiency, and to actively engage with and support their children in developing their English and native language proficiency.

The programs must include learning experiences for children, parents, ~~and~~ other relatives, and caregivers that promote children's early literacy and, where practicable, their native language skills and activities for children that require substantial involvement of the children's parents or other relatives. The program may provide parenting education programming or services to anyone identified in the community needs assessment. Providers must review the program periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs must encourage parents to be aware of practices that may affect equitable development of children.

(b) For the purposes of this section, "relative" or "relatives" means noncustodial grandparents or other persons related to a child by blood, marriage, adoption, or foster placement, excluding parents.

Sec. 8. Minnesota Statutes 2020, section 124D.13, subdivision 3, is amended to read:

Subd. 3. **Substantial parental involvement.** The requirement of substantial parental ~~or,~~ other relative, or caregiver involvement in subdivision 2 means that:

~~(a)~~ (1) parents ~~or,~~ other relatives, or caregivers must be physically present much of the time in classes with their children or be in concurrent classes;

~~(b)~~ (2) parenting education or family education must be an integral part of every early childhood family education program;

~~(c)~~ (3) early childhood family education appropriations must not be used for traditional day care or nursery school, or similar programs; and

~~(d)~~ (4) the form of parent involvement common to kindergarten, elementary school, or early childhood special education programs such as parent conferences, newsletters, and notes to parents do not qualify a program under subdivision 2.

Sec. 9. Minnesota Statutes 2020, section 124D.141, subdivision 2, is amended to read:

Subd. 2. **Additional duties.** The following duties are added to those assigned to the council under federal law:

(1) make recommendations on the most efficient and effective way to leverage state and federal funding streams for early childhood and child care programs;

~~(2) make recommendations on how to coordinate or colocate early childhood and child care programs in one state Office of Early Learning. The council shall establish a task force to develop these recommendations. The task force shall include two nonexecutive branch or nonlegislative branch representatives from the council; six representatives from the early childhood caucus; two representatives each from the Departments of Education, Human Services, and Health; one representative each from a local public health agency, a local county human services agency, and a school district; and two representatives from the private nonprofit organizations that support early childhood programs in Minnesota. In developing recommendations in coordination with existing efforts of the council, the task force shall consider how to:~~

~~(i) consolidate and coordinate resources and public funding streams for early childhood education and child care, and ensure the accountability and coordinated development of all early childhood education and child care services to children from birth to kindergarten entrance;~~

~~(ii) create a seamless transition from early childhood programs to kindergarten;~~

~~(iii) encourage family choice by ensuring a mixed system of high-quality public and private programs, with local points of entry, staffed by well-qualified professionals;~~

~~(iv) ensure parents a decisive role in the planning, operation, and evaluation of programs that aid families in the care of children;~~

~~(v) provide consumer education and accessibility to early childhood education and child care resources;~~

~~(vi) advance the quality of early childhood education and child care programs in order to support the healthy development of children and preparation for their success in school;~~

~~(vii) develop a seamless service delivery system with local points of entry for early childhood education and child care programs administered by local, state, and federal agencies;~~

~~(viii) ensure effective collaboration between state and local child welfare programs and early childhood mental health programs and the Office of Early Learning;~~

~~(ix) develop and manage an effective data collection system to support the necessary functions of a coordinated system of early childhood education and child care in order to enable accurate evaluation of its impact;~~

~~(x) respect and be sensitive to family values and cultural heritage; and~~

~~(xi) establish the administrative framework for and promote the development of early childhood education and child care services in order to provide that these services, staffed by well-qualified professionals, are available in every community for all families that express a need for them.~~

~~In addition, the task force must consider the following responsibilities for transfer to the Office of Early Learning:~~

~~(A) responsibilities of the commissioner of education for early childhood education programs and financing under sections 119A.50 to 119A.535, 121A.16 to 121A.19, and 124D.129 to 124D.2211;~~

~~(B) responsibilities of the commissioner of human services for child care assistance, child care development, and early childhood learning and child protection facilities programs and financing under chapter 119B and section 256E.37; and~~

~~(C) responsibilities of the commissioner of health for family home visiting programs and financing under section 145A.17.~~

~~Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations. The council must report its recommendations to the governor and the legislature by January 15, 2011;~~

~~(3)~~ (2) review program evaluations regarding high-quality early childhood programs;

~~(4)~~ (3) make recommendations to the governor and legislature, including proposed legislation on how to most effectively create a high-quality early childhood system in Minnesota in order to improve the educational outcomes of children so that all children are school-ready ~~by 2020~~; and

~~(5) make recommendations to the governor and the legislature by March 1, 2011, on the creation and implementation of a statewide school readiness report card to monitor progress toward the goal of having all children ready for kindergarten by the year 2020. The recommendations shall include what should be measured including both children and system indicators, what benchmarks should be established to measure state progress toward the goal, and how frequently the report card should be published. In making their recommendations, the council shall consider the indicators and strategies for Minnesota's early childhood system report, the Minnesota school readiness study, developmental assessment at kindergarten entrance, and the work of the council's accountability committee. Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations; and~~

~~(6) make recommendations to the governor and the legislature on how to screen earlier and comprehensively assess children for school readiness in order to provide increased early interventions and increase the number of children ready for kindergarten. In formulating their recommendations, the council shall consider (i) ways to interface with parents of children who are not participating in early childhood education or care programs, (ii) ways to interface with family child care providers, child care centers, and school based early childhood and Head Start programs, (iii) if there are age appropriate and culturally sensitive screening and assessment tools for three , four , and five year olds, (iv) the role of the medical community in screening, (v) incentives for parents to have children screened at an earlier age, (vi) incentives for early education and care providers to comprehensively assess children in order to improve instructional practice, (vii) how to phase in increases in screening and assessment over time, (viii) how the screening and assessment data will be collected and used and who will have access to the data, (ix) how to monitor progress toward the goal of having 50 percent of three-year-old children screened and 50 percent of entering kindergarteners assessed for school readiness by 2015 and 100 percent of three-year-old children screened and entering kindergarteners assessed for school readiness by 2020, and (x) costs to meet these benchmarks. The council shall consider the screening instruments and comprehensive assessment tools used in Minnesota early childhood education and care programs and kindergarten. The council may survey early childhood education and care programs in the state to determine the screening and assessment tools being used or rely on previously collected survey data, if available. For purposes of this subdivision, "school readiness" is defined as the child's skills, knowledge, and behaviors at kindergarten entrance in these areas of child development: social; self regulation; cognitive, including language, literacy, and mathematical thinking; and physical. For purposes of this subdivision, "screening" is defined as the activities used to identify a child who may need further evaluation to determine delay in development or disability. For purposes of this subdivision, "assessment" is defined as the activities used to determine a child's level of performance in order to promote the child's learning and development. Work on this~~

~~duty will begin in fiscal year 2012. Any costs incurred by the council in making these recommendations must be paid from private funds. If no private funds are received, the council must not proceed in making these recommendations. The council must report its recommendations to the governor and legislature by January 15, 2013, with an interim report on February 15, 2011.~~

(4) review and provide input on the recommendations and implementation timelines developed by the Great Start For All Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article 14, section 18, subdivision 2.

Sec. 10. Minnesota Statutes 2020, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must have an eligible child and meet at least one of the following ~~eligibility~~ requirements:

~~(1) have an eligible child; and~~

~~(2)~~ (1) have income equal to or less than ~~185~~ 200 percent of federal poverty level income in the current calendar year~~, or~~;

(2) be able to document their child's current participation in the free and reduced-price ~~lunch~~ meal program or Child and Adult Care Food Program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or ~~placement~~

(3) have a child referred as in need of child protection services or placed in foster care under section 260C.212.

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is~~:~~

~~(1) at least three but~~ not yet five years of age on September 1 of the current school year~~;~~.

~~(2) a sibling from birth to age five of a child who has been awarded a scholarship under this section provided the sibling attends the same program as long as funds are available;~~

~~(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; or~~

~~(4) homeless, in foster care, or in need of child protective services.~~

(c) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(e) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

Sec. 11. Minnesota Statutes 2020, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner must give highest priority to applications from children who:

(1) are not yet four years of age;

~~(1)~~ (2) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;

~~(2)~~ (3) are in foster care ~~or otherwise~~;

(4) have been referred as in need of child protection ~~or~~ services; ~~or~~

(5) have an incarcerated parent;

~~(3)~~ (6) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a~~.~~; or

(7) has family income less than or equal to 185 percent of federal poverty level income in the current calendar year.

(b) The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

~~(b)~~ (c) The commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

~~(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.~~

(d) The commissioner may establish exploratory efforts to increase parent education and family support services to families receiving early learning scholarships, including home visits and parent education services.

~~(d)~~ (e) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ~~ten~~ three months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. An extension may be requested if a program is unavailable for the child within the three-month timeline. A child may not be awarded more than one scholarship in a 12-month period.

~~(e)~~ (f) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program or within 90 days after the child's third birthday if awarded a scholarship under the age of three.

~~(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.~~

Sec. 12. Minnesota Statutes 2020, section 124D.59, subdivision 2, is amended to read:

Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten through grade 12, an early childhood special education student under Part B, section 619, of the Individuals with Disabilities Education Act, United States Code, title 20, section 1419, or a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151 or a school readiness plus program who meets the requirements under subdivision 2a or the following requirements:

(1) the pupil, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) the pupil is determined by a valid assessment measuring the pupil's English language proficiency and by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in academic classes taught in English.

(b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in the previous school year took a commissioner-provided assessment measuring the pupil's emerging academic English, shall be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall generate state English learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on the assessment measuring the pupil's emerging academic English, or, in the judgment of the pupil's classroom teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate academic language proficiency in English, including oral academic language, sufficient to successfully and fully participate in the general core curriculum in the regular classroom.

(c) Notwithstanding paragraphs (a) and (b), a pupil in early childhood special education or prekindergarten under section 124D.151, through grade 12 shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for English learners under sections 124D.58 to 124D.64; or

(2) the pupil has generated seven or more years of average daily membership in Minnesota public schools since July 1, 1996.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2023 and later.

Sec. 13. Minnesota Statutes 2021 Supplement, 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 124D.23 or 245.493; ~~or~~

(4) mental health service providers~~.~~; or

(5) school districts and charter schools.

(b) The following services are eligible for grants under this section:

(1) services to children with emotional disturbances 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 or severe emotional disturbances who are at risk of out-of-home placement. A child is not required to have case management services to receive respite care services;

(4) children's mental health crisis services;

(5) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(6) children's mental health screening and follow-up diagnostic assessment and treatment;

(7) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(8) school-linked mental health services under section 245.4901;

(9) building evidence-based mental health intervention capacity for children birth to age five;

(10) suicide prevention and counseling services that use text messaging statewide;

(11) mental health first aid training;

(12) 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;

(13) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(14) early childhood mental health consultation;

(15) 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;

(16) psychiatric consultation for primary care practitioners; and

(17) 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.

ARTICLE 6
EDUCATION APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Mental health services and early childhood social workers.** (a) For grants to fund social workers focused solely on early childhood systems that strengthen early childhood programs and improve outcomes for participating children and families.

$0	. . . . .	2022
$2,500,000	. . . . .	2023

(b) Eligible applicants are school districts and charter schools with early learning programs that may include but are not limited to Head Start, early Head Start, and early intervention programs serving children from birth to kindergarten that:

(1) implement a family partnership process to support family well-being, family safety, health, and economic stability;

(2) identify family strengths and needs using the Head Start Parent Family and Community Engagement Framework;

(3) offer individualized family partnership services in collaboration with families; and

(4) offer support services in collaboration or colocation with mental health practitioners to provide training, coaching, or skill building to early learning staff and parents.

(c) This appropriation is in addition to any other federal funds a grantee receives for this purpose.

(d) Any balance in the first year does not cancel and is available in the second year.

(e) Up to five percent of this appropriation may be retained for grant administration costs.

Subd. 3. **Infant and early childhood mental health consultation in schools.** (a) For transfer to the commissioner of human services for grants to create an early childhood mental health system of care in schools under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (a), clause (5).

$0	. . . . .	2022
$3,759,000	. . . . .	2023

(b) Of this amount, $3,350,000 is available for grants. Eligible uses include services under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (14).

(c) Any balance in the first year does not cancel and is available in the second year.

Subd. 4. **Grow Your Own Early Childhood Educator programs.** (a) For grants to develop, continue, or expand the Grow Your Own Early Childhood Educator program under Minnesota Statutes, section 122A.731:

$0	. . . . .	2022
$3,860,000	. . . . .	2023

(b) This appropriation is subject to the requirements under section 122A.731, subdivision 4.

(c) The base for fiscal year 2024 and later is $3,805,000.

Subd. 5. **Early childhood family education licensure grant.** (a) For a grant to the University of Minnesota to provide scholarships for prospective teachers enrolled in the parent and family education licensure program to cover the cost of attendance in the program:

$0	. . . . .	2022
$177,000	. . . . .	2023

(b) The commissioner may award additional grants to other postsecondary institutions with parent and family education licensure programs if funds are available.

(c) A grant application must at least include:

(1) the in-kind, coordination, and mentorship services to be provided by the postsecondary institution;

(2) the process for identifying and recruiting prospective teachers who represent known parent and family education teacher licensure shortage areas, both demographic and geographic;

(3) the process for coordinating with school districts to support prospective teachers in completing a licensure program or working in an early childhood family education program; and

(4) the process for prioritizing and awarding scholarships to students.

(d) A grant recipient must report in a form and manner determined by the commissioner on their activities under this subdivision, including the number of participants; the percentage of participants who are of color or American Indian; the percentage of participants who reside in, or will be employed in, school districts located in the rural equity region as defined in Minnesota Statutes, section 126C.10, subdivision 28; an assessment of program effectiveness, including participant feedback and areas of improvement; the percentage of participants continuing to pursue parent and family education licensure; and where applicable, the number of participants hired in a district as parent and family education teachers after completing the preparation program.

(e) The base for fiscal year 2024 is $177,000. The base for fiscal year 2025 is $0.

Subd. 6. **Executive function across generations curriculum grant.** (a) For a grant to the family partnership for an executive function curriculum pilot program:

$450,000	. . . . .	2023

(b) The family partnership must establish 15 sites across Minnesota to provide executive function across generations curriculum. The sites must be spread across the state and include rural, suburban, and urban early education and care providers, organizations providing home visiting services, or parenting groups in high-risk communities. The family partnership must report to the legislative committees with jurisdiction over early childhood by December 15, 2022, and December 15, 2023, on the progress made to expand the executive function curriculum across Minnesota.

(c) This is a onetime appropriation and is available until June 30, 2025.

Subd. 7. **Reach Out and Read Minnesota.** (a) For a grant to support Reach Out and Read Minnesota to establish a statewide plan that encourages early childhood development through a network of health care clinics:

$250,000 2023

(b) The grant recipient must develop and implement a plan that includes:

(1) integrating children's books and parent education into well-child visits;

(2) creating literacy-rich environments at clinics, including books for visits outside of Reach Out and Read Minnesota parameters or for waiting room use or volunteer readers to model read-aloud techniques for parents where possible;

(3) working with public health clinics, federally qualified health centers, Tribal sites, community health centers, and clinics that belong to health care systems, as well as independent clinics in underserved areas; and

(4) training medical professionals on speaking with parents of infants, toddlers, and preschoolers on the importance of early literacy.

(c) The base for fiscal year 2024 and later is $250,000.

(d) The plan must be fully implemented on a statewide basis by 2029.

Subd. 8. **Minnesota Children's Museum.** (a) For a grant to the Minnesota Children's Museum for operating costs:

$2,000,000 2023

(b) The appropriation in paragraph (a) must be used by the Minnesota Children's Museum to aid in the recovery of general operations and programming losses due to COVID-19.

(c) The appropriation is in addition to the appropriation in Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 18.

(d) This is a onetime appropriation and is available until June 30, 2025.

Subd. 9. **Children's asset building program.** (a) For a matching grant to the Saint Paul and Minnesota Foundation to support a children's asset building program that: (1) creates a savings account for every child born to a resident of the city of St. Paul during the time period for which funds are available; and (2) supports financial education for families on their child's college and career pathway:

$250,000 2023

(b) Grant money provided under this subdivision must be matched with money from nonstate sources.

(c) By February 15, 2025, the Saint Paul and Minnesota Foundation must submit a report on the children's asset building program to the commissioner of education and to legislative committees with jurisdiction over early childhood. At a minimum, the report must provide a detailed review of the program's design and features, including program outcomes, funding, financial education programming activities, and program marketing, outreach, and engagement activities.

(d) This is a onetime appropriation and is available until June 30, 2025.

Subd. 10. **Early Childhood Family Education Office.** (a) For two full-time equivalent staff and for operational expenses to provide support and guidance for early childhood family education programs:

$325,000 2023

(b) Each staff member must hold a valid license as a teacher of parent and family education.

(c) The base in fiscal year 2024 and later is $325,000.

Sec. 2. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 2, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

$ ~~7,569,266,000~~ 7,484,917,000 2022
$ ~~7,804,527,000~~ 7,688,824,000 2023

The 2022 appropriation includes $717,326,000 for 2021 and ~~$6,851,940,000~~ $6,767,591,000 for 2022.

The 2023 appropriation includes ~~$734,520,000~~ $751,955,000 for 2022 and ~~$7,070,007,000~~ $6,936,869,000 for 2023.

Sec. 3. Laws 2021, First Special Session chapter 13, article 8, section 3, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

$ ~~11,848,000~~ 20,000 2022
$ ~~12,200,000~~ 10,691,000 2023

Sec. 4. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 3, is amended to read:

Subd. 3. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

$70,709,000 2022
$ ~~70,709,000~~ 220,709,000 2023

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

(c) The base for fiscal year 2024 is $115,709,000 and the base for fiscal year 2025 is $115,709,000.

Sec. 5. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 4, is amended to read:

Subd. 4. **Head Start program.** (a) For Head Start programs under Minnesota Statutes, section 119A.52:

$25,100,000 2022
$ ~~25,100,000~~ 35,100,000 2023

(b) The base for fiscal year 2024 and later is $35,100,000.

(c) Beginning in fiscal year 2023, a Head Start program must spend on Early Head Start:

(1) at least the amount the Head Start program spent on Early Head Start from its share of the $25,100,000 state appropriation in fiscal year 2022; and

(2) the program's share of $10,000,000.

Sec. 6. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 6, is amended to read:

Subd. 6. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

$ ~~3,582,000~~ 3,655,000	. . . . .	2022
$ ~~3,476,000~~ 4,560,000	. . . . .	2023

(b) The 2022 appropriation includes $360,000 for 2021 and ~~$3,222,000~~ $3,295,000 for 2022.

(c) The 2023 appropriation includes ~~$357,000~~ $366,000 for 2022 and ~~$3,119,000~~ $4,194,000 for 2023.

Sec. 7. **APPROPRIATION; EARLY CHILDHOOD EDUCATION WORKFORCE STUDY.**

$255,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of employment and economic development for a study on the early childhood education workforce in Minnesota. The study must provide a consolidated report of current data on the makeup of the early childhood education workforce, including those working in certified and licensed child care centers and family child care homes, Early Head Start and Head Start programs, and school-based programs, including Early Childhood Special Education; wages, income, and benefits in the industry; and barriers to entering these careers or retaining workers in the field, along with information on any other relevant issues identified during the research process. At a minimum, the study must replicate the data points published in the study funded by the Department of Human Services titled "Child Care Workforce in Minnesota: 2011 Statewide Study of Demographics, Training and Professional Development." The study must be completed within 18 months and the commissioner may contract with another organization to complete the study. This is a onetime appropriation and is available until December 30, 2023."

Delete the title and insert:

"A bill for an act relating to early childhood; modifying provisions for child care assistance, child care licensing, and early education; making forecast adjustments to funding for health and human services; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 119A.52; 119B.011, subdivisions 2, 5, 13; 119B.19, subdivision 7; 121A.17, subdivision 3; 121A.19; 124D.1158, subdivisions 3, 4; 124D.13, subdivisions 2, 3; 124D.141, subdivision 2; 124D.165, subdivisions 2, 3; 124D.59, subdivision 2; 245A.02, subdivision 5a; 245A.04, subdivision 4; 245A.1435; 245A.1443; 245A.146, subdivision 3; 245H.05; 245H.08, by adding a subdivision; Minnesota Statutes 2021 Supplement, sections 119B.03, subdivision 4a; 119B.13, subdivision 1; 245.4889, subdivision 1; 245A.14, subdivision 4; Laws 2021, First Special Session chapter 7, article 14, section 21, subdivision 4; Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 2; article 8, section 3, subdivision 3; article 9, section 4, subdivisions 3, 4, 6; proposing coding for new law in Minnesota Statutes, chapters 119B; 122A; repealing Minnesota Statutes 2020, section 119B.03, subdivision 4."

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

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Thompson introduced:

H. F. No. 4792, A bill for an act relating to crime; limiting mitigated departure in sentencing when person convicted of crime resulting in death; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy.

Hansen, R., introduced:

H. F. No. 4793, A bill for an act relating to capital investment; appropriating money for the Robert Street Corridor reconstruction; 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.

Heintzeman introduced:

H. F. No. 4794, A bill for an act relating to capital investment; appropriating money for state-owned public water access facilities; authorizing the issuance of state bonds.

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

Burkel introduced:

H. F. No. 4795, A bill for an act relating to agriculture; allocating funding for agricultural emergency response; transferring money.

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

Moran introduced:

H. F. No. 4796, A bill for an act relating to corrections; providing for a supervision standards committee; modifying probation, supervised release, and community corrections; providing for rulemaking; requiring a report; appropriating money; amending Minnesota Statutes 2020, sections 243.05, subdivision 1; 244.05, subdivision 3; 244.19, subdivisions 1, 5; 244.195, subdivision 1, by adding subdivisions; 244.20; 244.21; 401.01; 401.02; 401.04; 401.09; 401.10; 401.11; 401.12; 401.14, subdivisions 1, 3; 401.15, subdivision 2; 401.16; Minnesota Statutes 2021 Supplement, section 401.06; repealing Minnesota Statutes 2020, sections 244.19, subdivisions 6, 7, 8; 244.22; 244.24; 244.30; 401.025.

The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy.

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Winkler from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, April 21, 2022 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 961 and 3765.

MOTIONS AND RESOLUTIONS

Wazlawik moved that the name of Olson, L., be added as an author on H. F. No. 257. The motion prevailed.

Gruenhagen moved that the name of Boe be added as an author on H. F. No. 293. The motion prevailed.

Daudt moved that the name of Franke be added as an author on H. F. No. 302. The motion prevailed.

Fischer moved that the name of Boe be added as an author on H. F. No. 1156. The motion prevailed.

Gomez moved that the name of Boe be added as an author on H. F. No. 1355. The motion prevailed.

Freiberg moved that the name of Reyer be added as an author on H. F. No. 1358. The motion prevailed.

Frazier moved that the name of Reyer be added as an author on H. F. No. 1373. The motion prevailed.

Jordan moved that the name of Boe be added as an author on H. F. No. 1426. The motion prevailed.

Gruenhagen moved that the name of Bennett be added as an author on H. F. No. 2348. The motion prevailed.

Bierman moved that the name of Boe be added as an author on H. F. No. 2361. The motion prevailed.

Albright moved that the name of Robbins be added as an author on H. F. No. 2511. The motion prevailed.

Richardson moved that the name of Klevorn be added as an author on H. F. No. 2586. The motion prevailed.

Morrison moved that the name of Freiberg be added as an author on H. F. No. 2636. The motion prevailed.

Lillie moved that the name of Morrison be added as an author on H. F. No. 2637. The motion prevailed.

Backer moved that the name of Franke be added as an author on H. F. No. 2821. The motion prevailed.

Robbins moved that the name of Freiberg be added as an author on H. F. No. 3041. The motion prevailed.

Daudt moved that the name of Kiel be added as an author on H. F. No. 3158. The motion prevailed.

Olson, L., moved that the name of Stephenson be added as an author on H. F. No. 3242. The motion prevailed.

Howard moved that the name of Feist be added as an author on H. F. No. 3265. The motion prevailed.

Mekeland moved that the name of Franson be added as an author on H. F. No. 3291. The motion prevailed.

Novotny moved that the name of Franke be added as an author on H. F. No. 3331. The motion prevailed.

Grossell moved that the name of Franke be added as an author on H. F. No. 3358. The motion prevailed.

Vang moved that the names of Olson, L., and Long be added as authors on H. F. No. 3418. The motion prevailed.

Igo moved that the name of Franke be added as an author on H. F. No. 3451. The motion prevailed.

Edelson moved that the name of Boe be added as an author on H. F. No. 3729. The motion prevailed.

Bernardy moved that the name of Her be added as an author on H. F. No. 3872. The motion prevailed.

Long moved that the name of Boe be added as an author on H. F. No. 4026. The motion prevailed.

Drazkowski moved that the name of Pfarr be added as an author on H. F. No. 4089. The motion prevailed.

Lee moved that the name of Hollins be added as an author on H. F. No. 4188. The motion prevailed.

Neu Brindley moved that the name of Garofalo be added as an author on H. F. No. 4239. The motion prevailed.

Noor moved that the name of Olson, L., be added as an author on H. F. No. 4351. The motion prevailed.

Murphy moved that the name of Heinrich be added as an author on H. F. No. 4421. The motion prevailed.

Lucero moved that the name of Scott be added as an author on H. F. No. 4574. The motion prevailed.

Swedzinski moved that the name of Heintzeman be added as an author on H. F. No. 4620. The motion prevailed.

Hollins moved that the names of Freiberg, Feist and Boe be added as authors on H. F. No. 4649. The motion prevailed.

Frazier moved that the names of Youakim and Freiberg be added as authors on H. F. No. 4783. The motion prevailed.

Hornstein moved that the name of Masin be added as an author on H. F. No. 4785. The motion prevailed.

Anderson moved that the name of Poston be added as an author on H. F. No. 4788. The motion prevailed.

Daudt moved that the names of West, Heinrich, Boe, Quam, Urdahl, Schomacker, Kresha, Hertaus, Scott and Nelson, N., be added as authors on H. F. No. 4790. The motion prevailed.

ADJOURNMENT

Winkler moved that when the House adjourns today it adjourn until 11:00 a.m., Thursday, April 21, 2022. The motion prevailed.

Winkler moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Thursday, April 21, 2022.

PATRICK D. MURPHY, Chief Clerk, House of Representatives